FOREIGN AFFAIRS

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THE GREAT DEPRESSION

By Edwin F. Gay

A RECENT statement by Mr. Justice Brandeis has been widely quoted. "The people of the United States," he said, "are now confronted with an emergency more serious than war. Misery is widespread, in a time, not of scarcity, but of overabundance. The long-continued depression has brought unprecedented unemployment, a catastrophic fall in commodity prices and a volume of economic losses which threatens our financial institutions."

The economic losses both of the World War and the present depression, in their full volume and extent, are incalculable, but it is not only of such losses that Mr. Justice Brandeis was speaking. The gravity of the present situation lies not merely in the widespread suffering, vast as that is, but in the questions it excites concerning the fundamental strength and character of our economic structure and in the series of decisions which must be made, indeed are now in process of making. These decisions are much more difficult than those of war. In war the chief problem is clearly set and calls for immediate action, unifying in its effect. In such a depression as this the problem is infinitely complex, decisions are beset by doubt, action seems always too late or has effects contrary to what were expected, and disunion and disruption have spread as each centrifugal force, seeking to strengthen itself, weakens the whole. War stimulates the full expansion of productive energy, but the deep depression cripples every economic process and discourages even the most sanguine business leaders. There are many confusing prescriptions offered from all sides. But no one, however skilled, really knows the character of or the specific cure for what some practitioners diagnose as a wasting disease.

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Whether or not a phenomenon regularly recurring, though at unequal intervals and with varying intensity, may properly be called a disease is questionable. A continuous succession of wave-like fluctuations, each with its phases of rising business activity, boom, recession and depression, may more properly be regarded as the result of the normal functioning of a competitive economy. Multitudes of business men, each making his individual calculation of gain in a future market, but each affected by the contagious movement of contemporary business hopes or fears, unconsciously coöperate in creating the fluctuations known as business cycles. In this ebb and flow, however, there is more than the repeated concurrence of a mass of individual plans and expectations. Physical determinants are clearly present in other types of contemporary fluctuations, such as those affecting agriculture and the short seasonal swings. Monetary and other technological factors enter largely into the long secular trends. All the different types of fluctuations interact. It is possible, in the present instance, that a business cycle has been intensified by an agricultural cycle and by greater seasonal fluctuations, and then prolonged by the impact of a longer downward-moving secular trend in prices. There are also to be considered the stresses and strains which may result when the normally uneven operation of the economic forces in the business cycle, never fully balanced, develops from time to time a state of acute disequilibrium. And, in addition to these and many other disturbing factors, come the irregular influences named by the economists, rather inadequately, as "random perturbations," such as cyclones, earthquakes, widespread visitations of disease, and wars. The economists find the analysis of business cycles no simple thing, and the present deep depression, transcending in depth and extent the usual amplitudes and intensities of business cycles, is still more difficult to explain.

It is generally recognized, however, that the World War has had serious effects upon the economic conditions of the post-war period, such as the depletion of man-power, the stimulus to over-capacity of some essential industries, including American agriculture, the forcing process in the industrial development of regions cut off from their former sources of supply and of the newly-created states, the widespread monetary disorders, and the staggering burden of internal debts and foreign obligations. The World War left deep wounds, but they could be healed. As Sir

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Arthur Salter has just pointed out in his admirable book, "Recovery, the Second Effort," the war — except in Russia — meant not the destruction but the dislocation of the economic structure. This seemed to be demonstrated by the remarkable economic recovery in the decade after the war, and especially after 1924, even in ravaged Europe. But now we are wondering whether this recovery was not simply a respite rather than a cure.

The range of the great depression is unprecedentedly wide. Past crises have affected many countries simultaneously; but, despite the growing economic international interdependence, even in previous major crises some important countries have been little affected. The timing of the business cycles as between countries has not been parallel, nor their incidence equal. At the close of 1929, when the crash came in the United States, about half the countries for which statistical evidence is available were already suffering a decline in prosperity. But thereafter the process continued, with brief deceptive pauses, until after the middle of 1931 the disastrous, deepening depression had become world-wide. The depression is also unprecedentedly deep. Experience as measured in statistics of prices, production, foreign and domestic trade, and unemployment, shows nothing comparable in intensity. The United States has suffered bitterly during former depressions, notably in the years following 1837, and 1873, and 1893, but it then had free land to absorb its unemployed and an expanding European market for its increased agricultural production. During those former crises banks failed and specie payments ceased to an extent which the present experience has not equalled, but this was the habitual behavior of a young and rapidly growing country. Finally, after the crisis of 1907, when the banks had again been prostrated, the Federal Reserve System was created to put an end to an intolerable weakness. Now, despite strong banks in the leading countries, despite a productive equipment in materials and men unmatched in the world's history, deep business depression is universal.

That the World War and the World Depression are intimately linked, as fundamental cause and ultimate effect, is beginning to be realized. There are other coöperating causes of our present distress, some antedating the war and some coming in its wake; but the war accentuated the prior trends of change and was largely responsible for the later dislocations. The economists in 1930 at first looked for the familiar signs of a business cycle.

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There seemed in 1929 to be no such accumulation of inventory in the hands of producers as in 1920, but in the form of goods bought on credit, installment purchases, housing and the like, a great inventory was being carried by consumers. In many lines of productive activity, both industrial and agricultural, it appeared that an excess capacity was facing a saturated market. "Cumulative disequilibria" of various sorts were seen to have strained the economic system: the increase in the consumer's spending power had not kept pace with the increase in productive power, the wage-earner's income had not grown as rapidly as that of the entrepreneur, and the flow of savings toward investment in capital goods and in durable consumption goods was exceptionally great. The technological advance had been more rapid than the growth of the market demand for new or cheaper products, so that, despite the great mobility of the working population, there was a steady increase of unemployment. These and similar unbalancing elements, it was thought, went far to explain the break in the economic mechanism with its slackening business activity and increasing unemployment. But as the depression was prolonged and intensified through the first half of 1931 it became clear that changes of greater range and longer duration were operating than those ordinarily engendered by business cycles. The economists looked farther afield. They noted the shift in monetary gold supply and the demonstrable alterations in the money markets of the world; the declining birth rate; the rise in the standard of living and the changes in habits of consumption tending to make the market more sensitive to fluctuations; the increasing mechanization which was revolutionizing agriculture and affecting many other industries; the development of large-scale organizations in industry, banking and labor; and the spread of price agreements and market controls which tended to introduce dangerous rigidities into the flexible system of free competition.

Then came the collapse of the Austrian Kredit Anstalt in May 1931, the breakdown of the German financial system in June, England's abandonment of the gold standard in September, followed promptly by many other countries, the cessation of international lending, and the further and alarming deepening of depression everywhere. The factors producing business cycles and the changes in long-time trends have exerted their influence upon the depression, but the specialists in the study of business fluctuations, after arraying the factors and weighing those which

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are measurable, acknowledge that their accustomed methods of analysis are inadequate. A more incalculable force seems to be at work. The situation suggests that the credit economy, not alone of nations as separate units but of all, is involved; and that recovery demands both separate and common efforts.

"We have still inadequately realized," writes Sir Arthur Salter, "how deeply the foundations of the system of credit have been undermined." The World Depression reveals many related causes at work, but it now is evident that the break in the stream of credit should be especially emphasized and carefully studied. The sapping process, undermining credit, goes back to the war, to the huge unproductive debts which it created and which, by the financial illusions engendered, have been continually extended. The war was fought with determination through four interminable years; and the confidence of all its participants was buoyed up, and in turn supported an enormous inflation of credit. The exaltation of war made possible the incredible toll it exacted. Unmindful of post-war consequences, the contestants piled mountainously high their demands upon the future and thus mobilized for war's exigent present the productive resources of the world. To the people of the United States especially the war revealed possibilities of credit expansion which seemed boundless; the whole world shared in the illusion, but not so riotously in the exploitation of it. The military contribution of the United States in the war's concluding year was of decisive character, but the country's primary function was the furnishing of supplies, in the first two years paid for largely by shipments of gold from Europe and the repatriation of American securities, and in the last two supported by great domestic credits, which financed the production of war materials both for the American armies and for their associates.

The war fervor, aided and inflamed by energetic organization, placed government bonds in the hands of millions of people who never before had possessed such instruments of credit. They were not thereby educated in the use of credit; they simply received a new vision of its possibilities. The basis was thus laid for the vast and credulous post-war market for credit which culminated in the portentous speculation of 1928 and 1929. Great enterprises learned that they could distribute their shares and bonds by direct sale to the public, and smaller enterprises were recapitalized by busy investment houses to float new securities in a na-

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tional market canvassed by high-pressure bond salesmen. Despite the heavy inflow of gold to the United States, particularly during the first half of the decade, despite the easy money policy of the Federal Reserve Board, especially in 1927, and despite the large repayments by the United States Treasury of the principal of the domestic debt, prices of commodities did not rise. Instead, after 1924, they showed a slight tendency downward, in consonance probably with the more pronounced price-fall outside the United States. It was perhaps because the pressure for a rise was checked in this section of the elastic tissue of the price system that it burst forth with such redoubled vigor in the stock market. Here was presented the greatest scene in the history of speculation. Stock values were pyramided again and again as they soared to heights out of all rational relationship to earnings present or prospective. The mania spread in unexampled breadth; where millions had bought Liberty Bonds, tens of millions now were buying shares or speculating on margin at the new brokerage offices springing up everywhere.

Below these paper values, the easy credit was stimulating actual production. American economic progress during the post-war period was rapid but uneven. Certain regions, whose old staple industries or agricultural products were in competition with the new mechanization or with virgin land, lagged in the race; but the pace was set by relatively new industries like the electrical or chemical industries, with the giant automobile industry far in the lead both in methods of mass production and in volume of mass sales. The construction industry in all its branches, and the machine-tool industry, especially in its export trade, grew amazingly. Spending (though toward the close it showed signs of "sales resistance," even though reinforced by abundant consumers' credit) seemed on the whole to be holding its place with production. Public spending by governmental agencies — federal, state and municipal — likewise mightily increased. The fructifying stream, attracted by high interest rates, overflowed in foreign loans, which in turn financed the growth in exports. Foreign states, towns and business concerns, especially those of Germany and Latin America, sought, or were sought by, the American investment houses and banks, until the total volume of private post-war loans surpassed, or on a net reckoning fully equalled, the public war loans.

All this was the work of credit, of which the war had taught the

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lesson of apparently unlimited expansion. Credit on the great scale is a modern invention, an instrument of immense power, comparable with the prime-movers in the physical field for whose introduction through the industrial revolution it had prepared the way. Together these new powers are transforming the world. But the engineers of credit know far less about the limitations and control of their new organ than the engineers of steam and electricity do about theirs. Credit is a social force, operating upon masses of people through its own specialized institutions. It has become robust and resilient and yet sensitively flexible, adjusting itself to daily repeated shocks. Its outer limits of expansion and contraction are not ordinarily reached and tested, and hence in part the reason for our lack of scientific knowledge. Nevertheless, as historical experience if not yet economic theory has demonstrated, it has limits in both directions. Its essential form is that of a continuous stream of debts, constantly renewed, flowing where profitable enterprise beckons. Since these debts or advances rest upon a conglomerate of human estimates of future gains, some near and more certain, others distant and more speculative, wastage is inevitable, and so long as it is not excessive this does not check the stream. It flows confidently on and draws new volume from its watershed of supply.

The continuous and excessive waste of credit by unproductive use was initiated by the war, and has been continued under the habit inherited from the war of drawing freely upon the future for the immediate enhancement of productive power and of living standards. Credit has been used in unprecedented volume, but it has also been abused, in a manner not indeed different in kind but enormously increased in degree as compared with earlier experiences. When finally (as in the time of John Law's great speculative venture, a period of inflated credit in many respects like our own) the *realisateurs* commenced to cash in on their paper gains, the swollen stream contracted and for the first time the great body of investors became aware that it was fed by inadequate earnings. Then panics began. The domestic and foreign capital which had been drawn into the maelstrom by the lure of high call-rates was hastily withdrawn. The stream of American credit which had been diverted to the speculative market suddenly left the foreign debtors stranded, and their distress today adds to the depression. Abroad some of the unproductive debts cannot pay their interest; at home extravagantly invested funds,

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supplied by credit, fail to pay dividends or rent. Investors widely come to feel that the public trust which credit implies has been betrayed and their confidence abused. People complain of the paradox that poverty appears in the midst of abundance. It is no paradox; abundance is freighted on credit and credit stretched beyond its limits of safety must withdraw.

While America has been experiencing the elation and suffering of excessive overconfidence, bred from the war's extravagance and its after-effects, Europe has not been immune. She was left shattered by the war. The monetary systems of combatants and neutrals were tottering. Some of these systems succumbed utterly, in the case of others the fall was checked. But by the middle of the post-war decade order had been restored, the bulk of the work of reconstruction seemed to have been accomplished, and Europe was turning hopefully to the modernization of her industries and to the redemption of her pledges, expressed or tacit, to make her lands fit for heroes to live in. The strong desire for social betterment, running from peasant land allotments to recreation facilities, was matched, on the part of peoples who had during the war seen money poured out like water, by a belief that a material improvement in the conditions of life was attainable. The same miraculous rock could be tapped again; and in fact the stream of credit did again flow. Furthermore, since the menace of social upheaval is a reality in Europe (where an example lies close on her eastern border), her rulers feel that measures of social amelioration are more than desirable: they are necessary. The debts for reconstruction added to the war debts were crushing, but in many countries they have been greatly alleviated by the devaluations of currency, shifting part of the loss to the *rentier* class and the recipients of fixed incomes. When the currencies had been re-stabilized new hope made possible new credits.

But it now becomes apparent that the war left a legacy of fundamental insecurity to the continent of Europe. To the manifestly continuing political insecurity has been added a persistent undercurrent of economic insecurity, which has made itself felt in repeated emergencies and in various ways. The nervousness of European investors, great and small, has been shown in the more conspicuous episodes of the successive "flights" from the mark, the franc or other currencies; it has been allayed for periods, but still has been instant to take alarm. Largely for this reason the flow of capital from country to country has tended

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to be spasmodic and unpredictable; investors have sought security by shifting funds from one financial centre to another without primary regard to differences in interest rates. They have thus contributed to impede the quasi-automatic operation of the mechanism of foreign exchange which before the war, when security was taken for granted, affected national price levels and regulated the international movements of goods and gold.

In the quest for security, especially during the respite afforded by the relative improvement in economic conditions for a few years after 1925, many countries, anxious to stabilize their disordered currencies, adopted an equivalent for the gold standard. Their equivalent was the gold exchange standard which permitted them to place bills of exchange in their portfolios instead of gold bullion in their vaults. This gave them rights to call on gold held in the great Central Banks, but the innovation not only laid an increased load of responsibility on the Central Banks, especially during periods of sudden emergency, but it acted as another impediment to the normal regulating flow of foreign exchange. Meanwhile the Central Banks were sweeping up gold from private holdings, and much of this, together with the newly-mined monetary gold (because of the abnormally functioning forces of the period) flowed into two great reservoirs — before 1925 mainly to the Federal Reserve System of the United States, and since that date the larger portion to the Bank of France. By the end of 1931 a substantial part (probably a fifth) of the banking reserves of the world was in the exposed form of foreign exchange, the "cushion" of domestic circulating gold had everywhere disappeared, and about three-quarters of the world's monetary stock of gold had been so withdrawn as to intensify the downward movement of world commodity prices. Monetary security was sought, but on an unstable basis; and since England, the first establisher and maintainer of the gold standard, has departed from it, monetary insecurity and difficult experimentation with "managed" currencies have again returned.

The effort to maintain stability in the agitated post-war world has been the underlying motive forthe renewal of the great movement not merely toward large-scale business organizations but toward combinations, cartels and similar agreements for the maintenance of prices or the division and control of markets. The combination movement has been long-continued, for in industry it commenced its first great operations in the eighties and nineties

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of the last century, after the railroads had shown the way; it is world-wide; it is paralleled by an analogous growth of social organizations in many other fields, such as labor and agricultural and consumers' coöperatives; it shows variety, adaptiveness, and increasing strength; in short, it is an organic development of revolutionary importance. For it has begun to modify profoundly the system of free competition and the social attitudes which accompanied that blindly "automatic" system. A free system which in a community of small competitive producers worked satisfactorily for the mass of consumers, since it furnished its products at the lowest price compatible with adequate remuneration to the more efficient producers and ruthlessly discarded the less efficient, was bound ultimately to force the strongest or most adaptable producers to increase their scale of operations. And the larger and better organized these operations become, the more inevitable it is that the small group of great producers, accustomed to order and discipline in their factories, should combine to regulate the disorderly, crisis-ridden market. It seems apparent that this tendency toward a planned economy, already initiated each in its own sphere by a growing number of the great industries, sponsored governmentally by the necessities of the Great War, and now filling men's minds, should proceed further. It obviously faces great difficulties both in organization and in public control; and stability, if it is gradually attained, is likely to entail a slowing up of technical progress and a degree of social regimentation for which perhaps the public's mind is already being prepared. The process of re-adaptation of the economic system is likely to be long and full of unexpected disappointments, but the successes and failures of the various nations already experimenting with economic planning will be instructive.

Meantime, the post-war developments of industrial planning have served to add to our present difficulties rather than to aid in solving them. They have taken mainly the form of stabilizing, by price or market agreements, a number of the great raw material producers, some of them with governmental aid and supervision, like the Brazilian valorization schemes or the Stevenson plan for rubber, others, like the international organization of copper producers, by private agreements. Some of them failed or were in process of failure before the depression, some have succumbed or seem about to succumb under the pressure of the disastrous fall in prices. Only two great raw material industries, both practically

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monopolies, nickel and sulphur, have thus far maintained prices in the face of serious decreases in production. There is evident danger of intensifying the stresses and strains in the system of prices if the fixity of great sections increases the fluctuations of the unorganized remainder, but the danger would be much less if the attempt were made to obtain stability by intelligent and timely price adjustments instead of to obtain rigidity by price maintenance. The great difficulty of a price maintenance policy, supposing all the producers, national and international, to be combined, is not only its possible repercussions on the price system and therefore the economic system in general, but its almost certain inability to restrain producers from overproductions and to check the entrance of new competitors into the profitable field, not to speak of the competition of substitute commodities. By mistaking rigidity for stability most of the post-war so-called stabilization plans have thus far failed to give the security so ardently desired.

If in this outline of some of the economic consequences of the World War in their bearing on the World Depression only cursory mention has been made of reparations and war debts, it is because they have become matter even more for political than for economic discussion. The two payments, while theoretically distinct, are in European opinion and practice so closely connected as to form practically one problem in two phases — receiving from Germany in order to pay to the United States. Since the cessation of American lending to Germany and since the rise of nationalist propaganda, Germany has come passionately to believe, and her political leaders declare, that an end must be made of reparation payments. Indeed, it seems highly probable that no government could stand which proposed to continue these payments. In the interest not merely of European but of world appeasement and of the economic recovery which depends thereupon, some settlement must promptly be arrived at. An extended moratorium, which in any case must be granted, seems likely only to prolong the disquiet, not to allay it. France, pressed by her own economic insecurity, may prefer to take the best obtainable terms which Germany can now offer rather than run the risk of another Ruhr occupation and the even graver risk of thereby unsettling further an economic world already in peril. The United States, then, must come to grips with the related problem of the war debts. Will it prefer a radical revision of the debts to meet the radically changed

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position of the debtors, or will it prefer a futile and embittered altercation, charged with national animosities? A reasonable end to the debt problem would not, indeed, at once stop the World Depression, but it would be a great step toward the appeasement which is necessary for recovery. The steady exacerbation of international feelings resulting from a settlement of reparations and debts which was not a settlement reveals in a clearer light the fundamental error of continuing the economic war after peace had been signed. It has only added continuously to post-war insecurity.

What has especially aggravated the European feeling about the war debts has been the American tariff. This has been held responsible for the relative decline in the imports from the European debtors to the United States. Supplementary causes may be found for the general decline in imports of European commodities into the United States, from the 48 percent of total imports in 1913 to the 30 percent of recent years. And there has been an offset, which should be taken into account, in the increase of expenditures by American tourists abroad. But the fact remains that the narrowly nationalistic policy of the United States, as exemplified again in the tariff of 1930 — inexcusable from an economic point of view and definitely harmful from a broader national standpoint — has been one of the great complicating and accelerating factors in the cumulation of abnormal unbalances and rigidities which brought the world to the Great Depression.

A time must come when the United States as a powerful world state and a great creditor nation, hence vitally interested in world trade and world prosperity, will face the realities of its new position. It will realize that a policy of self-sufficiency is not only impossible, but that a policy which presupposes it to be possible is stultifying and impoverishing. To say, as one frequently heard it said, that because the value of American exports is less than 10 percent of the total American production, we may therefore go our own way regardless of foreign trade or international responsibilities is to misinterpret the plain facts. The whole network of domestic prices and domestic credit in the United States is bound indissolubly with the system of world prices and with the stream of world credit. A dislocation anywhere in the fabric is now felt everywhere. The World War affirmed the international political responsibilities of the United States; the World Depression demonstrates the economic interdependence of the United States with other states. It cannot be a hermit nation.

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THE WAR IN THE FAR EAST

A Soviet View

By Karl Radek

A STATE of war has existed in the Far East for more than six months. The *Manchester Guardian* is quite right when it says that it is mainly thanks to the proceedings of the League of Nations that this fact has not been sufficiently impressed upon the public opinion of the world. The League's endless discussions as to how to apply the Covenant to the Sino-Japanese war have obscured and still obscure its immense historical significance. Actually the conflict marks the beginning of a whole new era in the Far East. In order to show that this conflict is no mere accident, it will be sufficient to call attention to the fact that while at the sessions of the League which followed Japan's seizure of Mukden on September 18 the Japanese representatives could speak of "local incidents," Japan proved to be so well prepared to exploit a situation arising from "local incidents" that in the course of a few days she succeeded in occupying, obviously in accordance with a carefully prepared plan, all the localities of decisive strategical importance in Manchuria.

This is a mystery which the League of Nations did not attempt to solve. But Soviet observers who studied the situation in Manchuria in the summer of 1931 were able to give a very accurate forecast of what lay ahead. V. Avarin, in his book "Imperialism and Manchuria," published in the summer of 1931, wrote as follows: "The representatives of Japanese imperialism stubbornly claim the full rights and privileges obtained under the twenty-one demands. It is perfectly clear that without a bloody struggle Japan will not at the present time accept ejection from Manchuria, nor even a weakening of her position there. A weakening of Japan's position has nevertheless been much in evidence of late. This means that at any moment one can expect some decisive action on the part of Japanese imperialism. And if it meets with opposition, this will mean that on the basis of a complex of imperialistic contradictions (among which the Manchurian question is not without importance) a new imperialistic slaughter is bound to arise." A similar forecast was made in the spring of 1931 by N. Terentev in his article "The Sino-Japanese Railroad Conflict in

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Manchuria," published in the Soviet periodical *Problemi Kitaya.*[1] These forecasts were based on a study of the economic and political forces at work in Japan, the way things were going in Manchuria, the position of China, and the international situation created by the world economic crisis. Subsequent events have proved that they were sound. And they have been illuminated by the light of exploding shells and the glare of burning towns and villages.

The apologists of Japanese imperialism maintain that it is not enough to condemn Japan, that in addition one must try to understand her position. But instead of pointing out the actual causes of the conflict, they indulge in fairy-tales which anyone conversant with economics is able to see through without difficulty. The first of these fairy-tales is the statement that Japan suffers from overpopulation and that this forces her to follow the road of imperialistic expansion because the normal outlet for her surplus population is closed by the immigration policy of the United States. But the Japanese have not been a particularly prolific race. During the long period of the Shogunate the population of Japan remained practically fixed. From 1721 to 1846 it increased from 26 millions to 26.9 millions, that is by 900,000 in 120 years. This figure should be contrasted with the annual rate of increase of 900,000 today.[2]

The problem lies not in the prolific birthrate of Japan but in the social changes which occurred during the Meiji era. Japan's adoption of capitalistic methods in 1868 did not eradicate the Japanese feudal system. The distribution of land remains particularly unfavorable to the peasantry. One part of the rural community is represented by 56,000 large landowners and 350,000 middle-sized and small landowners, and the other part by more than 5 million peasants who either have no land at all and are merely tenants, or who own plots inadequate to provide them with a living. The landowner class seldom cultivates its estates but leases them to the peasants at exorbitant rents. The peasants pay from 50 to 60 percent of the harvest in rentals, and thus are helplessly caught in the landowners' net. As a result, the peasant population still forms an inadequate domestic market. Thus it came about that the young Japanese bourgeois and the landlord who invested in capitalistic enterprises found themselves con-

[1] *Problems of China*, Nos. 6–7.
[2] John E. Orchard: "Japan's Economic Position." New York: McGraw-Hill, 1930, p. 8.

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fronted, from the very beginning of the capitalistic era, with the necessity of fighting for an outlet in foreign markets. The war with China in 1894 was already a clearly imperialistic war, in spite of the fact that at that time Japanese industry was still in its infancy. Even ten years later, at the outbreak of the Russo-Japanese War, which was fought for the possession of Manchuria and Korea, the whole Japanese industry provided employment for merely half a million workers.

The ease with which Japan won a victory in the Far East, and the indemnities and loans which she secured, stimulated her capitalistic development. Industry, commerce and transport offered an outlet for a surplus rural population. The growth of the population was in turn stimulated. The increase is therefore the consequence and not the cause of Japan's imperialistic expansion.

What is the explanation of the easy victories won by Japan? The answer usually given is that Japan is an industrial Power, and occasionally it is even said that she is a first-rate industrial Power. As a matter of fact, the extent of Japan's capitalistic development is greatly exaggerated. In all branches of industry, with the exception of the electro-technical industry, Japan occupies fifth place among the nations of the world; in the manufacture of machines she stands sixth, *i.e.* she is on a level with Italy, a country with a much smaller population than Japan. The part of Japan was determined by her relative industrial strength not in the world as a whole, but in the Far East. She became the most industrialized of the Asiatic nations. All other industrial countries were far removed from the theater of her expansion. Armed opposition could be offered to her only at great sacrifice and expense. In addition, she also profited by the fact that the low standards of living of the other nations of Asia permitted her to compete successfully by selling cheap goods of inferior grades which are not manufactured in the more advanced capitalistic countries.

Having defeated Tsarist Russia — a country socially and economically even more backward than herself, a country, too, whose main bases were separated from the Pacific Ocean by immense distances — Japan deemed herself the master of the Far East. In 1915 she felt in a position to impose upon China the twenty-one demands, which put her in control of the resources of the vast Chinese empire. She saw herself at the very goal. China was to supply her not only with the raw materials which she lacks

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— coal, iron, soya beans and cotton — but also with an immense and growing market which would make it possible for her to transfer more and more of her increasing rural population into industry. The Japanese landlords would thus be able to maintain their positions not only in the villages, but also in the social and political life of the country as a whole.

The Washington Conference of 1922 proved to Japan that the results of the war had been no less unfavorable to her than to Great Britain. The tremendous increase in the importance of the United States in world politics forced Britain to abandon her alliance with Japan; and although British imperialism nevertheless attempted to support Japan behind the scenes in order not to lose the Japanese trump in its struggle against the United States, Japan was threatened with possible isolation not only because the relative weight of British imperialism in world politics had declined and London's dependence on New York was growing, but also because the British Dominions were opposed to the pro-Japanese policy of the Foreign Office. Among the other events which definitely deprived her of the possibility of creating an anti-American coalition were the breakdown of German imperialism and the extinction of Tsarist Russia.

Japan, having suffered a set-back at Washington, and further weakened by a fearful earthquake which cost her five billion yen, stubbornly attempted to retain the economic position she had won thanks to the exceptional conditions prevailing during the war. It was really because of the war that the number of industrial workers rose from 948,000 in 1914 to 1,500,000 in 1919.

In 1927, in spite of the general improvement in Japan's situation due to the loan for the reconstruction of areas affected by the earthquake, Japan went through a new economic disturbance which was actually the beginning of the present world crisis, a crisis felt in Japan more strongly than in perhaps any other country. This shows that she is a vulnerable spot in the international capitalistic system and that her economic forces are seriously undermined. But it is not merely these difficulties which push Japan on the road of adventure.

II

Japan dreads the inevitable progress of three historical tendencies, and dashes into the struggle against them fearing to lose an opportune moment which may still hold the promise of victory.

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The three tendencies against which Japan is fighting are: first, the inevitable unification of China; second, the desire of the United States to conquer China economically; and third, the socialistic industrialization of Soviet Russia not only in Europe but also in Siberia.

Japan's immediate aims in China are the direct acquisition of a portion of Chinese territory and the seizure of all the principal strategic points about which the economic life of the rest of China revolves. The twenty-one demands which she imposed on China in 1915 leave no room for doubt as to her real intentions. These demands, translated into the language of railroad lines, mean not only her monopolistic domination of Manchuria but also her domination over the whole of northern China. Further, Japan has not only seized the Manchurian iron and coal mines but she has also attempted to seize the coal and iron of Shantung and has tried to put her hands on the Hanyehping iron works, which are the chief enterprise of the Chinese heavy industry.

It goes without saying that all this is directed against the unification of China. One of the decisive reasons why Japan has chosen the present moment to carry out the seizure of Manchuria is that the question of the unification of China has now reached an historical turning point. The attempts of the militaristic party of Chiang Kai-shek and the Kuomintang to unify China without first getting rid of the exploitation of Chinese peasants and workers by the capitalistic landlords and usurers have met with complete failure. Not being a unified force, the Chinese bourgeoisie is powerless to control its own tools, the leaders of its armies; these latter dictate their own will and take advantage of movements to unify the country in order to forward their own interests and to obtain personal and group power. The Chinese bourgeoisie is so busy exploiting the masses and defeating their efforts to improve their living conditions that it has no strength left to offer effective opposition to China's external enemies and is continually compelled to compromise with them. Exhausted by its struggle against the peasant and working masses, incapable of developing the economic resources of China, Chiang Kai-shek's government will either go under in general social and political chaos, or will cede its place to those forces which, after having endured and surmounted intervention from without, will assume leadership of the most populous country in the world.

And Japanese imperialism is arming itself to deal with either

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one of these two possible outcomes: the break-up of China and the turmoil of civil war; or the organization of China on an economic level to suit the interests of the masses. By seizing Manchuria Japan has cut away from China a country as large as France and Germany together and is turning it into a fortress in both the military and economic sense of the term. The fact that she retains Chinchow and the Jehol passes means that Japan is in a position to occupy at any time all northern China. The seizure of Woosung puts in her hands the gateway into the Yangtze valley. No mention is made of the evacuation of Manchuria; instead, an "independent" Manchurian state is organized and an open declaration made: "Here I am, and here I will stay." The allusions made by Japanese representatives before the League of Nations as to the growing international importance of Shanghai, and the discussions regarding the necessity of protecting the five principal Chinese ports from Chinese chaos, all indicate that Japanese imperialism is not satisfied with the seizure of Manchuria but plans to establish a number of fortresses on Chinese territory under the threat of Japanese guns.

The second menace against which Japan is fighting in China is the menace of American expansion. The United States has not as yet taken part in the struggle for the economic control of China on a large scale. The authors of numerous books on the policy of the United States in the Far East usually go back to the beginning of the nineteenth century and produce an array of documents showing that from the middle of that century many American leaders fully realized the immense importance of the Pacific Ocean in general and of China in particular. Such quotations, however, merely prove the existence of farsighted men in the ranks of leading American statesmen. Actual American penetration of the east began at the close of the nineteenth century, with the seizure of the Philippines. And this was a preventive policy — the exclusion of others, the safeguarding of certain possibilities for the future — rather than a policy of actual penetration into China or of actual participation by the United States in any move to conquer Asia. This contention is fully proved by the fact that up to the present time the United States has invested in China no more than $250,000,000, while her investments in Japan amount to at least twice as much. In the post-war period, when American trade began to crowd England out of China and to conquer the Chinese market, the United States refrained from any large-scale

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economic commitment in China. But the general line of American policy toward China became plain, namely to oppose those who threatened to divide China or seize large slices of her territory. This had been the policy of the United States during the Russo-Japanese War; it had been directed against Russia during the war, and turned against Japan immediately after the latter won her victory. Proof is furnished by the intimate correspondence between John Hay, then Secretary of State, with President Roosevelt, Henry White and others published in William Roscoe Thayer's biography of Hay. It is further proved by the papers of Colonel House relating to the war period and to the Versailles negotiations. The demand for the so-called Open Door was a demand that aimed to safeguard the future market of China for American capital.

There is no doubt that today Japan sees in the United States her strongest competitor in capitalistic China. England, who has invested more capital in China than any other nation, is not in a position to increase her investments. She is passing through a profound crisis, which forces her to look around for new outlets under the changed conditions created by the loss of her former industrial supremacy. This prevents the British imperialists from concentrating on Far Eastern problems. The United States, however, is in a position to beat Japan not only by making foreign investments but also by exporting cheap goods. The immense internal market of America allows her to carry on the rationalization and standardization of her production on a scale which Japan cannot even dream of equaling. Now the policy of the Open Door is one which gives victory to those who are economically the stronger. America has reached the point where she will have to decide to take an active part in the economic affairs of China. A daily increasing body of American public opinion begins to understand that America cannot find a solution of her crisis within the limits of her domestic market. The bad shape in which the American farmers find themselves prevents any considerable rise in their requirements. As to the urban market, its limits are determined by the fact that, in the opinion of even so moderate an economist as Professor Faulkner, the condition of the working classes showed no substantial improvement during the whole post-war period, and has deteriorated considerably during the crisis. Rationalization has brought about a basic unemployment which will not disappear even if the present crisis is followed by a new

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period of expansion. America will have to find a way out of the crisis, and this will be, of course, in the direction of the expansion of her foreign trade and her foreign investments. In spite of all the shouts and cries of the isolationists the return of the United States to the policy they favor is unthinkable. The four billion dollars invested in Germany are a landmark. Henceforth America can only move forward, investing new capital in the countries which are potential markets for her produce. Obviously, then, the unification of China and the growth of her productive forces are determining factors in the economic expansion of the United States.

Japan is convinced that the United States will seek a solution of the crisis along these lines. She is anxious to forestall the United States by snatching from China whatever she can, and by occupying dominating positions in the remainder of China. Only so, she thinks, can she protect herself from being crowded out by the United States.

The third historical tendency against which Japan is waging war is the industrialization of the Soviet Union, and especially of Siberia. An American newspaper man who deals with Far Eastern affairs, usually from the Japanese point of view, wrote on January 10 in the *New York Times* as follows:

> Soviet Russia has presented a definitely serious menace to Japan. In the first place, Communist propaganda in China, in Korea and in Japan itself has bothered the Japanese fearfully. Second, Soviet Russia has vigorously pursued the imperialistic policies of Tsarist Russia in East Asia and with greater success. She has succeeded in forming of Outer Mongolia an independent state, allied to the Soviet Union; she has succeeded in holding her share of the Chinese Eastern Railway, and has formed close political and economic affiliations in North Manchuria.
>
> The Japanese have come to believe that Russia's principal steel and ammunition plants at Kuznetsk and Magnitogorsk and the proposed double-tracking of the Trans-Siberian Railway are aimed at Japan. If today Soviet Russia is weak, five years or ten years from now, when her industrialization shall have been completed and her transportation program put through, will she not be strong enough to face Japan, as she did in 1905, but with greater success?
>
> Japan's answer to that will be the control of strategic railroads in Manchuria and Inner Mongolia and the development of iron and steel industries in Manchuria whose progress has been delayed because of Chinese opposition.
>
> A Japan without resources in her own country and dependent upon Chinese officialdom in Manchuria would be no match for Soviet Russia. But a Japan that dominates Manchuria economically and actually controls Manchuria's railways can even afford to be on good terms with Russia; for as Japan is strengthened in Manchuria, the menace from Soviet Russia decreases.

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We are not quoting this excerpt in order to dispute some of the assertions made in it. We shall not, for example, take up the question whether the activities of Japanese imperialism and the attitude adopted toward them by several capitalistic countries in Europe do not advance the cause of communism in China. Nor shall we pause to discuss those aims of Tsarist Russia which are alleged to have been revived by the Soviet Union. Of significance to our present discussion, however, is the fact that Magnitogorsk and Kuznetsk, while not yet fully active economic factors, are already recognized as being active political factors on the international stage, and that they already produce certain reactions in the relations of the Great Powers in the Far East. And the seizure of Manchuria by Japan is recognized as being a step towards restoring the economic balance upset by the industrialization of Siberia, a step which will allow Japan to maintain the position she has won in the Far East.

Undoubtedly an observer less inclined to defend Japanese policies would not have failed to note that Japanese control over the whole network of Manchurian railroads means not only a blow to China's desire to create her own railroads independent of Japan and connected with the independent Chinese port of Hulutao, but that it also presents a direct menace to the Soviet seaports and the railway connections between them and the Soviet Union. All this public opinion in Soviet Russia understands quite clearly by merely glancing at a map.

The Japanese seizure of Manchuria, then, besides being an effort to forestall the unification of China and the spread of American economic power there, is also a reply to the industrialization of Siberia.

III

Japan has selected for action a transitional period in the development of each of the three factors on which her action is based. Thus, unifying tendencies at work among the Chinese people are passing through a time of severe trial; the bourgeois-feudal-military régime in China is at bay before the popular masses everywhere on the vast Chinese plains, and at the same time it is torn by its own internal contradictions. Second, America has not yet embarked on a policy of independent economic expansion in China, although she may make such a decision at any time. Third, the Soviet Union, having undertaken the

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work of industrialization and having made steady progress with it, has reached a stage when her newly built factories are only just beginning to come into production. As has been the case in all other countries, they must pass through a period of infantile diseases which prevent them from showing full results immediately.

Japan is thus in a hurry. But the reason why she is in a hurry must be sought not only in an analysis of the three general considerations which have been brought forward above, but also in the conditions prevailing at the present time in Manchuria.

Manchuria has three principal railroad systems.[3] One, the South Manchuria Railway running from Changchun to Dairen (with its ramifications), is entirely in the hands of Japan. The second, the Chinese Eastern Railway, from the frontier station of Manchouli southeast to Pogranichnaya belongs to the Soviet Union and is under joint Chinese and Russian management. The third railroad line, not yet completed, cuts through western Manchuria from Aigun on the Amur to the newly built port of Hulutao.

The economic interests of the Japanese capitalists center about the South Manchuria Railway. In the region which it serves are situated the rich deposits of coal and iron which have been developed by Japanese capital and which are of immense strategical importance to Japan.

Soviet Russia is attempting no economic expansion around the Chinese Eastern Railroad. Her economic institutions, the trusts, are not trying to make it the backbone of projects for economic expansion, or to exploit the working masses of China; but this important trade route is being developed by the Chinese bourgeoisie and the Chinese landlords with a view to establishing and expanding their industrial enterprises in the area which it serves. Japan enjoys economic influence also in North Manchuria, but since she does not control the Chinese Eastern Railway, she is unable to impose the dictatorship of the Japanese trusts there.

The railroads in western Manchuria were built partly with the proceeds of the Japanese loans, and partly with Chinese money invested by Chinese landlords and capitalists. The local Chinese bourgeoisie which has grown up is dissatisfied with Japanese domination and now seeks independence. In the days when Japanese capital and Japanese military influence first penetrated into Manchuria they at once set to work to develop a special Manchurian bureaucracy and create a Manchurian army as sub-

[3] See map in FOREIGN AFFAIRS, Vol. 10, No. 2, p. 230.

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sidiary agencies in effecting their domination of the country. It will be sufficient to point out that Chang Tso-lin grew to be the leader of Manchuria and accumulated millions under the auspices of Japan and with her assistance. But the Manchurian militaristic party, having reached maturity and having amassed millions by plunder, tended to become to a certain extent an independent force and to resent Japanese control. The new Manchurian bourgeoisie, which had invested in industrial enterprises the gold it had accumulated by exporting soya beans to Japan, began to dislike the fact that the cream of the profits went to Japan. The result was a gradually developing conflict between the Manchurian upper classes (bourgeoisie and landlords) and military bureaucracy, on the one hand, and the Japanese militarism on the other. It is true that at the slightest menace to the rule of this bureaucracy from the outside, Japan came forward to defend it; we saw as much during the struggle between Marshal Feng and Chang Tso-lin. But the protection offered by Japan to her vassals did not for a moment diminish her hostility toward their eagerness to regain their independence.

Japan was particularly afraid of the connections which the ambitious Manchurian bourgeoisie and military leaders wanted to establish with America. To the successful attempt of Chang Tso-lin to prevent the granting of a Morgan loan to the South Manchuria Railway the reply of Japan (as stated in the Council of the League of Nations by the Chinese representative, M. Yen, without any challenge from M. Sato, the representative of Japan) was the murder of Chang Tso-lin. The Manchurian militaristic party was confronted by the alternative of either capitulating or entering into an open struggle. Chang Hsueh-liang's recognition of the Nanking Government was an act of open revolt by the Manchurian military clique against Japan, not only because Chang Hsueh-liang had proclaimed that Manchuria belonged to China, thus rendering more difficult the further steps of Japan toward the annexation of Manchuria, but also because the Nanking Government appeared in the eyes of Japanese imperialists as the agent of American capitalism. We are not concerned with the actual degree of dependence of Nanking on New York and Washington. This dependence, measured by the actual help given by American capitalistic circles to the Chinese capitalists who group themselves around the government of Chiang Kai-shek, is quite negligible. The real question is not that, but of the direction in

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which the Chinese bourgeoisie, represented by the government of Chiang Kai-shek, is moving. It is forced to seek the abrogation of unequal treaties and concessions in order to meet the demand of China's growing national consciousness; furthermore, the liquidation of the positions taken up by the imperialistic Powers would compel those Powers to change their policy of direct domination over China to one of coöperation with the Chinese bourgeoisie. England and France have concessions in China, and their domination is based on unequal treaties. The United States has no independent concessions; but as she is in a position to make loans to China, and thus to increase her influence through her investments, she does not need them.

The American policy of the Open Door in China meets the desire of the Chinese bourgeoisie for the unification of their country, and that is the reason why Japan has become convinced that the orientation of the Nanking Government toward the United States is bound to continue.

The penetration of the United States into Manchuria might take place — as a matter of fact, it already has started — through the coöperation of American capital with the Manchurian bourgeoisie. Japan was afraid of an amalgamation of the West Manchurian railroads with the help of American capital, and of the penetration of American capital into the Chinese Eastern Railway through the Chinese part of its management. Such a proceeding not only would threaten Japan's plan for the encirclement and economic control of the whole of Manchuria, but it also would menace the immediate economic interests of the Japanese capital invested in Manchuria to the extent of one-and-a-half billion yen.

The most progressive agrarian part of Manchuria is North Manchuria. Its trade used to go over the Chinese Eastern Railway to Vladivostok, not southward to Dairen. The trade of West Manchuria is now beginning to find an outlet by means of the network of Chinese railroads and the port of Hulutao. Warning of the approaching danger to Japanese interests was given by the decline in the profits of the South Manchuria Railway. It became imperative to take immediate and decisive action. Treaties which remain unpublished, secret promises to various military cliques which used to control Peiping or Mukden, were put to work by Japan. The Orient is known for its art of conducting endless negotiations. Japan came to the same conclusion reached by

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Dr. Faust in his interpretation of the Holy Scriptures: "In the beginning was not the word, but the deed." The name of this deed is General Honjo and his army which on September 18, 1931, began the conquest of Manchuria.

IV

If Japan retains Manchuria this will represent a drastic defeat of the foreign policy of the United States, a defeat for which it will be difficult to find compensation in the course of the next few years. Japan is convinced that the United States cannot defeat her on the seas. The immensity of the distance which separates the two countries and the absence of American naval bases would prevent the United States from striking a decisive blow at the Japanese fleet and gaining access to the inner Japanese waters. Formerly, in case of a war with Japan, the United States might have sought to achieve her ends by blockading Japan. But now Manchuria is to give Japan what she lacks for the conduct of a war, namely iron, coal, foodstuffs. To Manchuria is assigned the rôle of insuring Japan against the dangers of a blockade. Japan is convinced that the seizure of Manchuria is already an accomplished fact, and she has no idea that it will prove possible for anyone to force her to abandon her position there.

What is the basis for the Japanese belief that the real work is over and that merely the legal aspect of the problem still remains to be settled?

It is based, to begin with, on the position of Japan and the United States in the present alignment of the imperialistic Powers. The League of Nations, of course, does not concern Japan as an independent entity. The League is a thorn in the relations of the Great Powers. In practice it can do nothing that England and France do not want it to do.

The attitude of France toward Japan is plain. It is determined by French hostility toward the nationalistic movement in the Orient, a movement which threatens the French position in Indo-China. It is also determined by France's hostility to the Soviet Union. French imperialism would like to see Japan strengthened in the hope that this will lead to a struggle with the Soviet Union. The tendency is further emphasized by the relationship held by France toward the European neighbors of the Soviet Union, especially Poland.

But important as is the attitude of France toward Japanese im-

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perialism, the decisive rôle in this connection belongs to England. In spite of the progressive weakening of England, she still remains a factor of first-rate importance in the Far East. Her investments there are larger than those of any other country and, what is more important, she controls the military bases along the routes leading to the Pacific Ocean. Therefore, in the Far-Eastern policy of England lies the chief reserve of Japanese imperialism.

What is this policy? It found plain expression in the statements which appeared in every English conservative newspaper defending the fundamental thesis of Japanese diplomacy as to the specific nature of the Chinese state. China, it was maintained, is not a force guaranteeing order and upholding treaties, hence the Powers in their relations with China cannot be bound by the League of Nations and its Covenant. This thesis (often and fully expounded in the London *Times*, *e.g.*, the leading article on November 23), forms one of the foundations of British policy. Its meaning is simple. British imperialism is aware that in the future (just as has been the case in the past) it will interfere with the sovereignty and independence of China; and in its struggle to preserve its acquisitions in China it cannot be in the position of putting a check upon Japan's policy toward China. This principle has not been clearly stated in the diplomatic documents and official pronouncements of the Foreign Office, but it nevertheless remains one of the bases of British policy. Nor does it exhaust this policy. We must also remember that in England's struggle against the United States she does not want to lose her Japanese trump. Beset by a variety of difficulties, England had to give way to the wishes of the United States at the Washington and London Naval Conferences; but this should not be taken to mean her final capitulation. England hopes that after she has strengthened the links which unite her with the other members of the Empire she will be able to reënter the race for world supremacy. In this race she counts upon the support of Japan. The more cynical English statesmen retain the Japanese card in order to sell it at a good price when the time arrives for a final settlement of accounts with the United States.

Japan, who saw in the creation of the Singapore base the threat of an actual change in British policy toward America, is now convinced that at least for the present, or during the next few years when the Japanese position in Manchuria must be settled, England will not accept the lead of the United States.

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Anyone who has followed the manœuvres at Geneva cannot seriously doubt that the Japanese analysis of British policy is essentially correct. All the suggestions and declarations made by British representatives were directed to the same purpose, namely to afford Japan a breathing-space in which she might complete her program and consolidate her acquisitions in Manchuria. This was the object of sending the League committee of experts to the Far East; it also inspired the English offer of an armistice made in Shanghai, an offer which was to relieve Japan from the moral pressure of the small Powers, members of the League, supported by American public opinion. Finally, under the influence of American diplomacy, England, who had refused to join in the policy set forth by Secretary Stimson on January 7, felt obliged to accept the resolution of the League of Nations of March 11 declining recognition of any treaties imposed upon China by the armed might of Japan. England voted for the resolution; but her real position in this question, as it appears in the speech of Sir John Simon in the House of Commons, is extremely elusive and makes it possible for her to pretend at any time that she believes in the self-determination of the Manchurian people and does not see the "self-determining" bayonets of General Honjo.

The policy of the United States, as expressed in Secretary Stimson's note of January 7 and his letter to Senator Borah, is not to recognize the Japanese acquisitions. This attitude will hardly intimidate Japan's diplomats or her military leaders. If they succeed in taking a firm hold in Manchuria, they can afford to await the recognition of the United States, meantime creating new opportunities for obtaining compensation or concessions. By bombarding Shanghai, for instance, Japan created a situation in which even a large section of American public opinion considered as a very great achievement the cessation of the bombardment, although the Japanese troops remained in Shanghai and although even today they retain Woosung and thus control the Yangtze.

Japan does not believe that the United States will dare to take action against her, even to the extent of using the Chinese as an instrument. To wage war China would require considerable loans, which under present financial conditions the United States cannot provide. The American Government could not advance the money because to do so would need a declaration of war; American banks, who have doubts as to the stability of the government of Chiang Kai-shek, will not open large credits to China. Credits

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might be offered by private manufacturers of ammunition and armaments, but if these credits were large or if the shipment of large consignments of arms seemed likely, Japan would not allow the consignments to reach Tientsin and Shanghai, or she would prevent their unloading, or, in the last resort, she would declare formal war on China and a blockade, thus facing the United States with a definite choice. American policy in China seems to aim at collecting a rich harvest without taking any risks. That sort of policy may sometimes be successful, when exceptional conditions prevail. These do not exist at present.

The attitude of the United States toward the Soviet Union, which entails sacrificing the advantages of an economic and political *rapprochement* to the considerations of parochial politicians in search of thrillers for home consumption, is an example of the complete lack of vision and determination in the foreign policy of the United States. The Japanese laugh at the threats of the American press. They point out that the United States is incapable even of making a decision to resume normal relations with the Soviet Union, and that what is more, American influence, by preventing the establishment of normal relations between China and the Soviet Union, is playing Japan's game.

That sort of policy cannot check the adventures of Japanese militarists, who have decided to seek, arms in hand, a solution to the crisis from which Japan is suffering today, and which is not purely economic.

v

The Soviet Union, which borders Manchuria and Mongolia and which is the only independent state facing Japan from the mainland of Asia, follows with deep interest day-by-day events in the Far East. She cannot afford to be indifferent to the changes which are taking place in the Pacific. She is convinced that in the long run the policy of the Japanese imperialists will prove extremely costly to the Japanese people. Japan has entered the path of expanding her colonial possessions at a time when the colonial system all over the world is displaying unmistakable signs of deterioration. That system is under attack by nations which have much lower standards and a much less developed national consciousness than China. It is not impossible that as a result there may be a great conflict between the Chinese masses and the Japanese imperialists, a conflict which will end by transferring the leadership

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of China into the hands of the elements which are the most capable of uniting the Chinese masses in their struggle for independence.

In particular, the Soviet Union cannot remain indifferent to the changes which are taking place in Manchuria, through which or near which pass the lines of communication giving access to her Pacific ports. Her industry does not need foreign markets because, however rapid may be its growth, the demands of her population grow even more rapidly. The Soviet Union was never a party to any policy of dividing Manchuria into spheres of influence, but she cannot but observe that her interests there are threatened by the rule of foreign military cliques.

The Soviet Union is strong enough to defend her territorial integrity and her interests. Concentrating her efforts on building up peaceful industries for meeting the needs of her own population, keeping aloof from armed interference with the affairs of foreign nations, the Soviet Union will seek a peaceful settlement of all conflicts which may arise between her and her neighbors. She will base her policy exclusively on her own interests, which correspond with the interests of peace both in the east and in Europe. But she will know how to defend her vital rights. Those who think that she will sacrifice them because she is afraid of a conflict are just as wrong as those who believe that she will become a tool of foreign interests.

It must be hoped that this will be understood both by the Japanese imperialists and by their opponents. Let no one expect to win an easy victory over the Soviet Union or look upon her as an easy prey. Foreign Powers who have occupied Soviet territory in the past were forced to withdraw. No state can expect to ignore with impunity the interests of a nation with a population of 165 millions — certainly not a state which is already waging war on another front. To disregard these simple truths would be to court terrible misfortune. That can be avoided by reaching reasonable agreements not directed against a third party but serving the general cause of peace. In the effort to maintain peace the Soviet Union will collaborate with any Power which desires the peaceful development of the Far East.

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THE POLISH CORRIDOR: REVISION OR PEACE?

By Jan Ciechanowski

THE world is divided into three schools of thought about the Versailles Treaty. The first comprises most of the people in the European nations on whose territories the World War was actually fought. They are determined to enforce the peace settlement as it stands as the safest way of maintaining peace. The second group is made up of those who lost territory as a result of the war. They claim that the treaty is unjust and clamor for its revision. The third comprises considerable sections of public opinion in countries whose territories suffered comparatively little, or not at all, from actual fighting. Many of this group are in England and the United States. They advocate a revision of the European territorial settlement in the hope of bringing about a more secure peace. They neglect the obvious fact, however, that territorial revision in Europe at the present time could only be brought about as a result of another war.

The Versailles Treaty, embodying in its first section the Covenant of the League of Nations, had been planned as a new departure in statesmanship. There were to be no victors or vanquished at the end of this most bitter war in history. Self-determination was to preclude the unjust appropriation of territories. The League of Nations was gradually to develop international solidarity and insure the peaceful settlement of all international problems.

In the course of the Peace Conference it soon became evident that it had been easier to form a united war front than it was to create a united peace front. Much of the nationalism that it was necessary to encourage during the war had survived and had to be taken into account. National policies, as well as internal political considerations, had in many cases been temporarily disregarded during the war so as to allow the formation of partnerships between nations. With the restoration of peace these national policies reasserted themselves and could not be ignored. Their revival precluded the continuance of at least some of the temporary war partnerships. Thus the peace settlement lost the invaluable backing of the United States, and with it its most powerful promise of security, due to the refusal of the United

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States and Great Britain to ratify the treaty guaranteeing the newly created European *status quo*. The Treaty of Versailles was stunted in its very infancy.

This initial weakening of the treaty did much to arouse the revisionist school to activity. And the partial success of attempts at revision, particularly in ending control of German armaments, bringing about the earlier evacuation of occupied territory, and revising economic clauses and scaling down reparations, further encouraged the Germans to propagate the idea that only a revision of the territorial clauses could satisfy them and insure a lasting peace.

Of all the territorial arrangements made at Paris few have acquired such importance in the eyes of the advocates of revision as that of Polish Pomerania, better known as the Polish Corridor. It was taken by the Germans as their test case, and as the result of continuous propaganda has by now been promoted in some sections of public opinion in Europe and America to the rank of a problem of the gravest importance as regards the maintenance of peace. It has been made to appear that on Poland's sacrifice of the Polish Corridor hinges Germany's acceptance of all the other clauses of the Versailles Treaty. From this standpoint it is Poland who holds the key to a better peace, and her generous gift of Polish Pomerania to Germany would accomplish the miracle of reconciling Germany with the present settlement and insuring permanent tranquillity in Europe.

Since this point of view has come to be accepted in some circles, and has been crystallized in recent statements of Senator William E. Borah, it seems appropriate and indeed necessary to analyze the question from a general European angle.

The thirteenth of President Wilson's Fourteen Points reads as follows: "An independent Polish state should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant."

The restoration of an independent Poland within her ethnographic limits was generally welcomed after the World War as an indispensable reparation of one of the most flagrant crimes in history — the forcible partition of Poland at the end of the eighteenth century. It was accepted as inevitable that a nation

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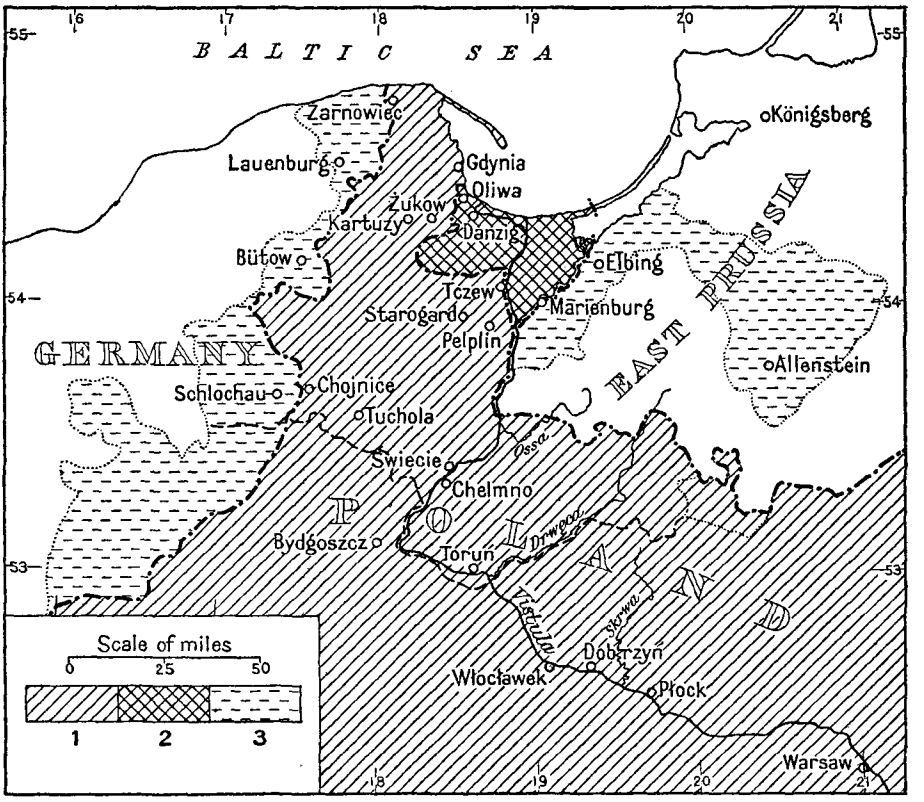
which had not lost its national consciousness after a century and a half of ruthless oppression at the hands of imperial Germany and Tsarist Russia should be restored to independence.

In the case of Poland's western frontiers, which alone were fixed by the Treaty of Versailles, the ethnographic principle was strictly applied. As a result, only part of Pomerania owned by



1. Polish territory at the present time. 2. Territory of the Free City of Danzig. 3. Former limits of Polish Pomerania (from the Second Treaty of Torun in 1466 until the First Partition in 1772—a period of three centuries). The broken line running east and west just below Torun marks the southern boundary of the County of Pomorze, i. e. the "Polish Corridor" proper, a district of the present Polish Republic.

Poland before the partitions was reincorporated in the Polish state (see map).

Once Poland's right to renewed independence had been admitted (and up to now no one appears to have placed this right in doubt), once the world had called the forcible partitions of Poland a crime, then any discussion as to how much of unmistakably Polish territory seized at the time of the partitions should be

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restored to her became academic. It was only necessary to prove that the territory so restored was ethnographically predominantly Polish.

How did the territory of the so-called Polish Corridor conform to this condition?

As far back as the tenth century this province, under its proper name of Pomerania, constituted an integral part of Poland. It had been joined to Poland by Mieszko I, the first Christian Polish sovereign, in 968. Later it was held by Poland as a feudal duchy, governed locally for a time by a separate dynasty. The last representative of that line, Mestwin II, transferred his succession on February 15, 1292, to Przemyslaw II, Duke of Poland, who became King of Poland in 1295. It was then finally incorporated in Poland no longer as a feudal possession but as an integral part of the Kingdom. Christianity was introduced into Pomerania by Poland, and the first period of organized administration dates back to the reign of King Boleslas III (1102–1138). In that same period Western Pomerania (or the region of Stettin) detached itself from Eastern (or Polish) Pomerania. In 1308 Polish Pomerania was seized by the Teutonic Knights, who had been established in the district of Chelmno (Culm) by the Polish Duke Conrad of Mazovia to protect that part of Poland from the incursions of the Prussians, a pagan tribe inhabiting territories to the east of Pomerania. Poland waged several wars against the Knights and obtained decrees from the Papal Tribunal ordering them to return Pomerania to Poland. These orders were disregarded, however, and it was only after the Thirteen Years' War (1454–1466) that Poland finally recovered the province. The treaty recording this act is called the Second Treaty of Torun. From 1466 until the first partition in 1772, Polish Pomerania remained without interruption an integral part of Poland.

In the first partition the province with the exception of Danzig and Torun (Thorn) was taken by Prussia. These two towns were seized at the time of the second partition in 1793, and it is worthy of note that the Danzigers put up an energetic defense against the Prussian invaders. Polish Pomerania never ceased to struggle against Prussian rule and took part in Napoleon's attempts to restore the Polish state. German domination lasted from 1793 till 1920, when Poland took over the Province of Pomerania by virtue of the Versailles Treaty.

A century and a half of German rule, ruthless measures of

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Germanization, and the expulsion of Polish patriots did not succeed in changing the Polish character of the province or of its population. In 1871 the deputies from Polish Pomerania in the German Reichstag protested loudly against incorporation into the newly constituted German Reich.

The Germans contend that at the time of the restoration of the province to Poland it was inhabited by three distinct racial groups — Germans, Poles and Kashoubs, and that the Polish element did not constitute the majority. But the common origins of Poles and Kashoubs were proved by the inter-Allied commissions of experts who investigated the character of the population at the time of the Paris Peace Conference. Moreover, the Kashoubs sent a delegation to President Wilson while he was in Paris in 1919 to state that they considered themselves Poles and that they insisted on being incorporated into the reëstablished Polish Republic.

The Polish origins of the Kashoubs, whose language is a Polish dialect understood by Poles, is admitted by many German scholars. Heinrich Berghans, the geographer, described them as "a people of Polish origin whose language differs but slightly from Polish."[1] Franz Tetzner, a German author from Danzig, said: "Kashoubian and Polish are the same language with but small differences of pronunciation."[2] H. Geffchen, speaking of the Kashoub population, stated that "the Kashoubs used to tear up German catechisms brought home from school by their children and demand that religious instruction should be given in Polish."[3] M. Hellmuth von Gerlach, a prominent German Democrat, wrote in *Die Friedenswarte* in July 1927: "It is impossible to contest the Polish nationality of the Kashoubs." This list could be extended almost indefinitely.

Similarly, statistics from authoritative German sources prove that the Corridor was inhabited by a clear Polish majority. So generally recognized an authority as Hermann Rauschning says: "In the territory now called the Corridor the population was composed in 1910 of about 42.5 percent Germans and 57.5 percent Poles and Kashoubs."[4] The Polish census of 1921 shows that the population of 935,679 was composed of 175,329 Germans, or 18.7 percent, and 760,350 Poles, or 81.3 percent. The provisional

[1] "Physikalischer Atlas." Gotha: 1852, Vol. II, p. 15.
[2] "Die Slaven in Deutschland." Braunschweig: 1902, p. 441.
[3] "Preussen, Deutschland und die Polen." Berlin: 1906, p. 108.
[4] "Die Entdeutschung West Preussens und Posens." Berlin: Hobbing, 1930, p. 340 ff.

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figures for the Polish census taken at the end of 1931 show that Poles constitute at present over 90 percent of the total population in the district of Pomorze (the Corridor).

This considerable increase in the proportion of Poles inhabiting the Polish Corridor is partly due to the exodus of Germans since the restoration of that province to Poland. According to Rauschning, 69 percent of the total German population of the territory restored to Poland returned to Germany between 1919 and 1926. He says that in 1926 the Germans constituted but 11.8 percent of the population of the Polish Corridor.

Germans frequently charge that this exodus was caused by harsh treatment or discrimination on the part of the Polish authorities against the German population. Such statements have no foundation in fact. The German population in that district was mostly composed of German government officials and employees (police, military, and railway) and business men, who were either recalled to Germany or chose to leave Poland of their own free will. This German exodus from the Polish Corridor is one of the most striking proofs of the district's fundamentally Polish character. It speaks more convincingly than almost any other argument in support of the fact that the energetic German colonization carried on during more than a century and a quarter had lamentably failed. It shows that the bulk of the Germans resident in the Polish Corridor did not consider themselves permanently settled there. The indigenous Polish population remained on its home soil notwithstanding the prolonged attempts at Germanization and the many efforts put forth between 1772 and 1920 to make it leave. Not so with the Germans. There was a similar emigration of Germans after the war from Alsace and Lorraine, from Polish Upper Silesia and from Poznania (Posen). It all was but a natural sequel to the ending of a temporary German occupation.

Before we turn to other aspects of the Polish Corridor problem we should cite the impartial opinion of some non-German authorities as to the Polish character of the Corridor.

For example, two distinguished Harvard professors, Charles H. Haskins and Robert H. Lord, who were territorial experts on the American Commission to Negotiate Peace, wrote: "Poland needs territorial access to the sea — of that there can be no question. But the Peace Conference would probably not have granted her this wish, had it not been justified in doing so on

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ethnographic grounds. The Conference did not invent the *couloir:* that already existed and is written plain on every honest linguistic map of this region."[5] Dr. Isaiah Bowman, the American geographer, wrote in "The New World" that the population of the Corridor is Polish in spite of the Germanization movement. The late Archibald Cary Coolidge, an eminent and extremely careful American historian, refers to the Corridor as follows: "Supposing even that the economic arguments balance each other, the guiding principle should be that of self-determination, and the large majority of the population of the Corridor are and wish to remain Poles."[6]

Thirteen years have elapsed since the restoration of Polish Pomerania to Poland. How well does the Corridor fulfil its function of providing Poland's "free access to the sea?" The following tables, compiled on the basis of shipping figures published by the Danzig Harbor Board, are enlightening on the subject of Poland's utilization of that port.

STATISTICS OF SHIPS ENTERING DANZIG

Years	*Ships*	*Tons*	*Percentage*
1913	2,910	924,837	100
1919	1,435	535,495	57
1920	1,951	987,740	106
1921	2,632	1,568,336	169
1922	2,712	1,423,129	154
1923	2,930	1,722,927	187
1924	3,312	1,635,010	177
1925	3,986	1,869,979	203
1926	5,967	3,432,480	372
1927	6,950	3,899,854	423
1928	6,198	4,045,240	439
1929	5,396	3,892,362	423
1930	6,078	4,143,098	450
1931 (provisional)	5,960	4,067,733	441

It will be seen that the movement of ships in the port of Danzig has more than quadrupled as compared to the figures for 1913, when Danzig was still in German hands. Although an increase in the number of ships entering and leaving a port does not necessarily mean an increase in the traffic of goods, this has been true of Danzig, as the following table shows.

[5] "Some Problems of the Peace Conference." Cambridge: 1920, p. 179.
[6] "Ten Years of War and Peace." Cambridge: 1927, p. 173.

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MOVEMENT OF GOODS IN THE PORT OF DANZIG
(in metric tons)

Years	*Imports*	*Exports*	*Total traffic*
1913	1,233,630	878,471	2,112,101
1919	174,000	72,235	246,235
1920	1,700,000	138,246	1,838,246
1921	1,026,420	378,952	1,405,372
1922	466,287	504,411	970,698
1923	654,929	1,062,864	1,717,793
1924	738,072	1,636,485	2,374,557
1925	690,779	2,031,969	2,722,748
1926	640,696	5,659,605	6,300,301
1927	1,517,194	6,380,420	7,897,614
1928	1,832,409	6,783,273	8,615,682
1929	1,792,951	6,766,699	8,559,650
1930	1,090,631	7,122,462	8,213,093
1931 (provisional)	754,300	7,576,205	8,330,505

The disproportion between the imports and exports in the preceding table is considerable. This is due to the fact that Poland exports mostly bulky goods such as coal and timber, whereas (apart from iron ore and fertilizers) she for the most part imports less bulky manufactured goods.

In 1913 Danzig occupied thirteenth place among all the Baltic ports in the movement of shipping tonnage. Today it has risen to third place, standing after Copenhagen and Stockholm. And in merchandise traffic it occupies first place among all Baltic ports, having handled 8.6 millions of tons in 1928 while Copenhagen handled only 5.6 millions and Stockholm 1.8 millions. These figures prove that Poland has used the port of Danzig for its overseas trade more extensively than Germany had need to utilize it before the war.

The idea prevails in some quarters that Poland undertook to build the new port of Gdynia in retaliation for not having received Danzig. Undoubtedly, after Danzig raised difficulties in 1920 by refusing to allow the unloading of munitions indispensable to Polish defense against the invading Soviet troops, Poland realized that in emergencies she could not rely on Danzig, and this influenced her decision to build a national port at Gdynia. But primarily the decision to develop the port was based on economic considerations.

The following tables for the port of Gdynia published by the State Statistical Office in Warsaw show the growth of incoming

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shipping at Gdynia since 1924, and the growth in the amount of goods handled at that port.

STATISTICS OF SHIPS ENTERING GDYNIA

Years	*Number of ships*	*Tonnage*
1924	27	14,352
1925	85	74,707
1926	298	204,757
1927	530	422,938
1928	1,108	985,004
1929	1,541	1,445,288
1930	2,238	2,031,366
1931	3,144	2,649,568

MOVEMENT OF GOODS IN THE PORT OF GDYNIA

(in metric tons)

Years	*Imports*	*Exports*	*Total*
1924	981	9,186	10,167
1925	1,646	53,925	55,571
1926	310	404,251	404,561
1927	6,411	891,683	898,094
1928	192,711	1,765,058	1,957,769
1929	329,644	2,492,858	2,822,502
1930	504,117	3,121,629	3,625,746
1931	558,549	4,741,565	5,300,114

Contrary to the fears expressed in some quarters, the port of Gdynia has not hitherto caused any serious prejudice to the port of Danzig. This is apparent from the preceding table, which shows the prosperous state of Danzig's seaborne trade despite the growth in traffic through Gdynia.

Let us now pass to the question of transit between East Prussia and Germany, across the Polish Corridor. This traffic is regulated, in conformity with Articles 89 and 98 of the Versailles Treaty, by a Polish-German convention containing 114 articles. In order to eliminate any undue delay in the settlement of questions arising out of this transit traffic, a special German-Polish Tribunal was set up in Danzig. In the course of the first eight years of its existence this tribunal was called upon to give a decision in only two cases.

That communication across the Polish Corridor functions smoothly is proved by the following authoritative opinion of Dr. Holz, a high official of the German State Railways in Königsberg: "One can state with satisfaction that, thanks to the negotiations conducted between the management of the

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railways of the Reich and the management of the Polish State Railways, difficulties relating to transit have been settled. East Prussia, as far as her transit traffic is concerned, is no longer an enclave. The Reich Railways have thrown a bridge across Polish territory. Transit goes on without hindrance, in fact as if the management of the railways of the Reich was still active on Polish territory. Prices of transport fixed in accordance with German internal tariffs are applied as if the territory between East Prussia and the rest of Germany were still German. One has to admit that the management of the Polish Railways keeps its engagements." [7]

Germany has ample means of communication with East Prussia through the Corridor, as well as through other parts of Poland. Six direct railway lines are open to her transit traffic, as follows:

1. Stettin-Gross Boschpol-Strzebielin-Danzig-Tczew-Königsberg. 4 trains daily.
2. Berlin-Firchau-Chojnice-Konitz-Tczew-Königsberg. 8 trains daily.
3. Berlin-Schneidemühl-Bydgoszcz (Bromberg)-Torun (Thorn)-Jamielnik-Deutsch Eylau-Insterburg. 4 trains daily.
4. Berlin-Bentschen-Poznan-Torun-Insterburg. 4 trains daily.
5. Breslau-Trachenberg-Rawicz-Poznan-Torun-Insterburg. 2 trains daily.
6. Breslau-Poznan-Bydgoszcz-Tczew-Königsberg. 2 trains daily.

In all, therefore, 24 trains run daily in both directions, with seats for 4,246 passengers, using the so-called "privileged" or direct transit, free from all passport and customs formalities. These trains provide for the transit of 1,549,796 passengers yearly. All these trains are listed in the German railway timetable, with the following note: "No control of passports or customs for transit traffic."

The figures for actual passenger traffic in both directions making use of these "privileged" trains are as follows: [8]

	Year	*Fast trains*	*Slow trains*	*Totals*
From Germany to East Prussia	1928	142,453	304,045	446,498
	1929	170,835	303,178	474,013
	1930	161,690	298,484	460,174
From East Prussia to Germany	1928	126,608	273,867	400,475
	1929	144,048	261,015	405,063
	1930	137,927	209,857	347,784
Totals	1928	269,061	577,912	846,973
	1929	314,883	564,193	897,076
	1930	299,617	508,341	807,958

[7] "Ost Preussens Wirtschaft und Verkehr vor und nach dem Kriege." Königsberg: 1923, p. 9.
[8] Official figures compiled by State Statistical Office of the Polish Ministry of Transport.

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In addition to this so-called "privileged" traffic, there are a number of ordinary trains on which passengers have to conform to normal passport and customs control. In 1930 a total of 349,100 German passengers traveled by these trains.

Similar facilities of transit through the Polish Corridor are accorded German goods traffic, which naturally is free from Polish customs duties. In 1924 an average of 581 German railway trucks passed over Polish territory daily; in 1929 the average had risen to 948. In 1924 German goods traffic over Polish territory amounted to 2,000,000 tons; in 1929, to 4.6 millions. In 1913 the traffic over these same lines amounted to only 2.3 millions.[9]

Poland likewise undertakes to carry German troops and war material in transit between Germany and East Prussia. In the *Reichstagsdrucksache* (No. 2191, p. 106) appeared the following comment: "We must state that the stipulations correspond fully to the needs of the military transports which in normal times take place between the Reich and East Prussia. Do not let us forget that Germany has the right to transport in both directions up to 1,400 soldiers and 800 tons of war material weekly." Actually, when army manœuvres are going on in East Prussia these limits are greatly increased and special trains are placed at the disposal of the German General Staff. No difficulty has ever yet been raised by the Polish Railway Management in such cases.

German river traffic in transit is admitted without hindrance over Polish territorial waters on the lower Vistula, the canalized part of the Brda, the Bromberg Canal, and the canalized part of the Notec. German postal traffic takes place over Polish territory either in German postal cars attached to transit trains or is carried by the Polish postal authorities. Certain telegraph and telephone lines through the Corridor are set aside exclusively for German communications. Similar facilities are granted by Poland to German motor car traffic in transit at the frontier towns on the five main roads: Jeziorki (Bydgoszcz-Berlin); Czarnikow (Poznan-Stettin); Gorzycko (Poznan-Berlin); Debno Polokie (Poznan-Breslau); Slupia (Lodz-Breslau). Poland's repeated suggestion to Germany that an additional motor transit route between Königsberg and Berlin might be opened by way of Tczew and Chojnice has so far elicited no reply.

[9] Albert von Mühlenfels: "Ost Preussen, Danzig und der Polnische Korridor als Verkehrsproblem." Berlin: 1930, p. 18.

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It has been necessary to deal at some length with the facilities provided for German transit over Polish territory in order to disprove the accusations repeatedly advanced from German sources concerning the inadequacy of these facilities or concerning alleged difficulties created by the Polish authorities. It must be evident to all impartial observers who are conversant with the facts that the Polish Corridor does not in any way prevent normal communication between the Reich and East Prussia. If the political aspect did not overshadow all others in the minds of most Germans, they could not fail to admit that the Corridor has not hindered any German economic need, and that every German suggestion regarding transit matters has been satisfactorily settled by Poland in a spirit of fairness and good will.

Let us now turn from statistics and summarize the fundamental aspects of the so-called "Corridor question."

The Polish Corridor was not a new creation of the Treaty of Versailles. It had existed on a much larger scale until the partitions. The historical rights of Poland to that territory are indisputable. It is ethnographically Polish today, as it has been in the past. Economically it is indispensable to Poland, as it insures her only free access to the sea. Moreover, reliable statistics prove that Poland has made full use of her access to the sea in developing her overseas trade. The right of Germany to unfettered transit across the Corridor is not disputed; and full facilities of communication are in fact provided.

The Corridor's vital importance to Poland's independence could not be expressed more emphatically than in the words of Frederick the Great, who said: "Whoever holds the course of the Vistula and Danzig is more fully master of that country (Poland) than the King who reigns over it."[10] The crux of the problem is contained in that historic statement.

To the Germans the Polish Corridor is the hated symbol of their shattered dreams of imperialism, the visible symbol of the failure of the *Drang nach Osten* which has always been the foundation of German imperialism. It marks the end of their greatest colonial venture which was based on the now generally bankrupt theory of a super-race conquering and holding inferior races. That explains why there was a general exodus of Germans from the Corridor as soon as it had been restored to Poland. They had

[10] Friedrich der Grosse: "Die Politischen Testamente." Vol. V of "Die Klassiker der Politik." Edited by Freidrich Meinecke and Hermann Oncken. Berlin: Hobbing, Vol. 5, p. 223.

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been the exploiting colonists, not natives; and their venture had come to an end.

But Germany is by no means resigned to this defeat of her plans. A trained American observer has written recently, "The program of the German Republic, in the matter of the Polish Corridor, is that of Frederick the Great." [11] Proof that the Germans have not changed their traditional attitude towards Poland resounds through almost every German patriotic speech that refers to Poland or the Corridor — and most of them do. It is manifest in the methods followed by German propagandists abroad, who aim to create an atmosphere in which a revision of Germany's eastern frontier may seem necessary and possible.

To cite but one instance, the term "Polish Corridor," as it is generally understood, comprises the Polish province of Pomerania (County of Pomorze) alone; that is to say, the Polish territory extending from the coast of the Baltic Sea southward to a line drawn roughly through the towns of Torun and Bydgoszcz. Yet on most German propaganda maps it is customary to give one color to the whole area restored to Poland by Germany by virtue of the Versailles Treaty and to term it the "Polish Corridor." This whole territory, according to the German thesis, should be returned to Germany. Thus, while implying that the return of the Polish Corridor might reconcile Germany with all other territorial clauses of the peace treaty, these German propagandists are in reality attempting to smuggle in a claim to all the territory seized by Germany at the time of the partitions. It is a novel way — perhaps a republican way — of pressing an old imperialist claim to foreign territory. It gives some justification to the impression that the Polish Corridor claim, instead of representing an aim in itself, is but a prelude to the more ambitious design of repartitioning Poland.

To the casual observer, unacquainted with the history of the Polish Corridor and with its past and present ethnographic character, this Polish territory wedged in between Germany and East Prussia may appear on the post-war map as an unnecessary and perhaps unfair obstacle placed by the Versailles Treaty in the way of German unity. It appears as one of the most "visual" territorial problems involved in the peace settlement. That is probably one of the reasons why the Germans have chosen the Cor-

[11] Frank H. Simonds: "Can Europe Keep the Peace?" New York: Harper's, 1931, p. 128.

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ridor question as their starting point on the way to a more extensive revision of the peace treaty.

To the Polish nation, however, it is not merely a political or economic question. In Polish eyes the Corridor primarily is part of one of Poland's ancient provinces restored to her in the name of justice at the end of a heroic struggle for freedom and unity. For that reason alone there can be no reopening of the question as far as Poland is concerned. No nation will ever agree to barter away its nationals. No authority exists in the world today which could dictate such a course to any nation.

But apart from this national reason — which is final, and which precludes any territorial compromise — the economic independence of Poland likewise precludes any solution which would give to Germany, or for that matter to any foreign Power, the control of her access to the sea. Such control would reduce Poland to a degree of dependence equivalent to bondage.

In conclusion, it appears that two conceptions have been formed abroad: first, the immutable right of Poland to independence; and second, the equally unquestionable right of Germany to unity.

Outsiders are led to believe that there is some way of conciliating or combining justice to the Pole with satisfaction to the German. But examined at close range, the German conception of unity in this case, now, as 150 years ago, involves dividing up another country. Shorn of its propagandist embellishments, the German theory of the revision of the Corridor turns out to be nothing more than a twentieth century euphemism for the eighteenth century theory: the partition of Poland.

It should be clearly understood by all who advocate treaty revision on the theory of stabilizing peace that to satisfy the demands of the Germans regarding the Polish Corridor would inevitably be to involve the repetition of that supreme injustice to the Polish nation — the partition of Poland. The political aspects of the Corridor are insoluble. The economic questions arising out of a Polish Corridor are insignificant. There remains the simple but portentous question: Peace as it stands — or revision through war?

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BRIAND

By Friedrich Sieburg

THE world which Aristide Briand has just left at the age of seventy is not the world he wanted. His death falls into the void, so to speak, of a life which had already lost its effective significance. Aristide Briand! Has any other name connected with post-war statesmanship awakened deeper emotions in the world? Has any other inspired fonder hopes in our contemporaries or handed on graver doubts to our posterity? The fact that Briand is dead says nothing new to us: he really had ceased to live. France has buried him with public honors; but the real meaning of his life already lies engulfed in quicksands of prejudice, disappointment, impatience. Had his passing occurred a few years ago, an abyss would have seemed to be opened up in the field of international relations. Today he vanishes leaving hardly a disturbance in the present rarefied atmosphere.

Death came upon him like a thief in the night; and there were no watchers at hand to sound the alarm. Leaving his beloved Cocherel in a country of babbling brooks, he stole back to Paris to die in his town residence, a damp, musty, chilly mansion which he had not used for years. No one was allowed to accompany him. The old man was creeping away in secret! In the distant perspective stood the leafless trees of the Quai d'Orsay, rising grimly through the balmy air of a day in March. But through the offices of the Ministry over there a new spirit was sweeping. André Tardieu is a man who radiates optimism and sparkles with wit. André Tardieu is a man still far, far removed from making any plea of weariness!

It may seem hardly in keeping with present circumstances to allude to such a death in terms of regret. But we are constrained to do so. Nor is this altogether futile, since it can teach us a poignant lesson. Ended is a life which was always inspired with the noblest aspirations for a better fate for humanity, a life the best years of which had been dedicated to the cause of shaping a better Europe. But no career more aptly than the career of Aristide Briand can show that in the sort of world organization established by the Treaty of Versailles the best of good wills is necessarily poisoned — more, that even the good can promote evil. It was Briand's greatness that he tried to make men dif-

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ferent. It was Briand's weakness that he tried to leave the world of Versailles unaltered.

This inconsistency gradually made his policy incomprehensible to the people of our time, especially to our younger generations. On the one hand, France could keep shouting at him that he was placing the safety of his country second to a system of humanitarian coercion — in other words, an international organization. On the other hand, the Germans had frequent occasion for wrath at him because he continued to cripple the national energies of Germany; because he was bent on bringing the Germans to have faith in this, the worst of all possible worlds; because, with his magic eloquence, he was at one moment arousing hopes for a Europe inhabited by a better kind of human being, and then again chilling all hearts by arming the allies of France and drawing a cordon of mistrust tighter about Germany; because, in a word, he committed the mistake of striving for an ideal, though simultaneously being careful to take all precautions against the chance that his ideal might fail of fulfilment. Briand has shown clearly that one cannot be prophet and politician at the same time; that one cannot propose the most utopian schemes and at the same time organize the mistrust which those schemes arouse.

At the moment when Germany ceased to believe in Briand he was trying to bring the Germans back under his spell with the concept of the two Germanies. On all the platforms of Europe he was speaking of a reasonable, a European, Germany with which it was possible to deal; and of a hard-hearted, nationalist Germany with which no dealings could be had. And in doing that he was deepening the age-old gulf between Germany and France, inclining Germans to that forgetfulness which permits people today, at the moment of his death, to overlook his great accomplishment — the humanization of international relations in the postwar period.

There is no great consolation in looking back, today, upon the road which Aristide Briand left behind him. That road seems to bend round and back to its starting point; and the atmosphere which, at the time when he rushed enthusiastically into the fray, he was eager to free from pollutions of hatred and armed mistrust, has again become almost as hard to breathe as it was then. The hurrying peoples of our time sneeringly ask us where Locarno is, and in just what corner of the world is now to be found the withering olive branch which Briand carried to the four points of the

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compass like a dove of peace. Stresemann preceded him to the grave. Stresemann was fortunate enough not to be called upon to witness the collapse of his life's effort. Fighting off his memories as he fought off the drowsiness of an approaching end, Briand from time to time still murmured the name of his old antagonist, who had also been to a certain extent his friend. Did he realize that they both had succumbed to the same wound? In killing Briand's policies, France killed the man himself. He may have smiled on receiving news of his defeat as a candidate for the Presidency of the Republic. At the same time he understood it as a hint that he withdraw from the scene. And we must not forget the next, and perhaps the last, blow that fell upon him: the uncompromising opposition of his country to the German-Austrian customs union. On that occasion he confessed before the Senate, his shoulders drooping, that there are happenings in this world that dwarf a man, that reduce him in size.

Aristide Briand was the postilion of a France that did not follow him. At the sharpest turn in his road he looked back, and saw that he was alone. He must have perceived that he had served neither mankind nor France wholeheartedly. He had used the débris of the barriers which he had torn down between the peoples to build new walls to fortify the Europe created by Versailles. To be sure, he labored indefatigably in the fields of arbitration and international adjustment; but at the same time he strove for sanctions, and entangled the advantages to be derived from a new world order in such a network of private alliances for France that no outsider has ever been able to unravel it. Time and again he returned to the premiership of France, but not because he was the Briand whose gospel has soared like a rocket into the sky of Europe's diplomatic night, but because he was a shrewd politician, an able compromiser, because he knew the art of cajoling oppositions and convincing antagonists that everything was as they would have it. What was ever returning him to power was, in a word, not his humanity, his love of mankind, but his political dexterity, which had now and again to be placed at the service of France. Then suddenly both France and the world turned away from him — the world, because he was too devious; France, because he was too European.

Wherever his head bobbed up on the ever-changing yet ever-monotonous scene of the international conferences, there hope seemed to follow him like a silver trail; yet ever and anon that

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everlasting foreign policy of France, which he was supposed to be transforming, showed itself stronger than his character, and in the end he would always be reduced to the necessity of picking up all the big ideas lying about in post-war statesmanship, and which had been exalted for the consolation of a distressed humanity, and putting them at the service of traditional "French interests." The magic formulae which were to lift the lid from the tomb of Europe always turned out to be mere inscriptions on that slab, whether they spelled "European Union," "World Union," or "Disarmament." Briand was attempting the impossible in trying to help the peoples of Europe to regain their normal growth, their natural development, and at the same time in trying to perpetuate the order in which they were condemned to live. That was the point on which he came to grief, that the reason why he died alone.

Nevertheless, we feel sorrow at his death. For Briand stands out, against the background of post-war policies in Europe, as a man whose activity was ever inspired by deep human aspirations. "These poor people — what a pity!" That exclamation, which sounds so foreign in any consideration of policy today, always seemed inaudibly present on his eloquent lips. Does the death of Briand mean the passing of the type of statesman who regards the personal freedom of the individual and the welfare of the plain man as the ultimate goals of all public policy? One is often tempted to think so. Oftentimes it seems as though that concern for individual happiness which lay at the basis of Briand's whole activity had been all but banished from public life today. The preoccupation derived, in his case, from his nights at Verdun. (Just as, after all, the world's anxiety for the welfare of mankind, seems to have been born of those years of horror and to weaken as the memory of them fades.) "I have had enough!" Briand once shouted at the Chamber of Deputies as a wave of sentiment unseated him and then swept him back into power again. "I have had enough!" said an old gray-haired man, worn by the weight of responsibility, as for the last time he walked down the majestic steps of the Quai d'Orsay. And then came death, the one merciful power in this age of ours, to silence his last lonely doubts.

Briand is, so to speak, the classic type of the Foreign Minister of post-war statesmanship; but that fact forever links his name with the failure to which that sort of statesmanship was condemned. With the new period which opened with the Hoover

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Moratorium he no longer had any connections. The great problem in current policy has been the question of reparations, or, more exactly, the economic situation, since in practical terms reparations have ceased to exist and now serve merely as the pretext for discussions of all sorts, above all for discussions of credits and tariffs.

Reparations never really interested Briand, and he more than once privately confessed that he could not at all understand their bearing on other things. Only so can one explain the fact that his single interference in the reparations question, on the occasion of his famous breakfast with Stresemann at Thoiry, resulted in a complete failure. The subject of that conversation was the evacuation of the occupied zone, which Germany had a right to demand after signing the Locarno agreement. However, the soundness of that claim was not in question. The problem was merely to determine under just what conditions the evacuation would take place; for it was soon evident, unfortunately, that not even Briand was in a position to carry out unconditional evacuation, as the latter had been understood at Locarno, with the support of his own government. Stresemann, accordingly, took the bull by the horns, and proposed a financial compromise on the part of Germany. He proposed that the German national railroad bonds, which had been authorized in accord with the Dawes Plan, should be placed on the market and the proceeds diverted to France. Thereupon, and strictly within the scope of French policy, Briand demanded that Germany comply with the disarmament clauses still outstanding. In that connection, in fact, not a few points had been left still unclarified, though they were so insignificant that only a French eye could have been sharp enough to detect them. All the same, it was necessary, a few days before the evacuation, for a French and a German staff-officer to go climbing about the German fortifications that had been blown up at Kehl, opposite Strasbourg, and to make measurements down to a centimeter to see that the fragments resulting from the blasts did not exceed the dimensions specified by the French.

Unfortunately there had been no way of blowing up reparations. It must not be forgotten that reparations formed the legal basis for the occupation of the Rhineland. The presence of foreign troops on German soil was to guarantee reparations payments. But Briand did not go so very far in his objections to Stresemann's proposals. He was still caught in the inflation notion that to get a

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good solid payment in cash would be a pretty piece of business for France. He therefore took up enthusiastically with Stresemann's suggestion. And there would have been no great harm in that, had his doing so not provoked the most exaggerated expectations in both countries that a final understanding was near at hand. Briand allowed these hopes to blossom; then, once he had got in touch with his cabinet in Paris, no great acumen on his part was required for him to realize that the plan was not feasible. The French Foreign Minister had not perceived very clearly that the American market was the only one that could be expected to take up the projected bond issue; and as everybody knew, the Americans would never be willing to apply their resources to any such operation, so long as the Mellon-Bérenger debt agreement had not been ratified by the French Parliament. The reaction was painful. Hope rapidly dissipated, and the public in each country began to complain of its neighbor that another pleasant dream had failed to come true because of the other party's stubborn ill will.

It would, however, be unfair to the great statesman to measure him solely by the separate diplomatic negotiations which make up his public life. Indeed one may go farther and say that to analyze Briand's diplomatic adventures would be to render a bad service to his memory. The great thing about Aristide Briand is a something that cannot be analyzed: his personality. By virtue of his personality he occasioned a notable improvement in political manners in post-war Europe, which is still operative today when conditions otherwise are not at their best. Even today, when nationalism seems to be triumphing in Germany and France is familiar with governments supported by chauvinistic groups, there are no longer exchanges of contemptuous and embittering epithets such as were frequent down to the time of Locarno. Peoples have come to realize that a certain amount of mutual respect is the most effective instrument for preventing a general ruin. At the time when Briand took hold of the European imbroglio he found himself in an atmosphere where nobody trusted anybody else. Every suggestion that a statesman or a government put forward as a step toward promoting international discussion was viewed with suspicion from the outset and regarded as a manœuvre, a trick, for the eventual attainment of questionable purposes.

The events leading up to the Locarno agreement are the best

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evidence of that situation. As early as the first months of 1923 the Reich had made proposals quite similar to the agreement later reached at Locarno; but Poincaré had dropped them with icy coldness. Then in February 1925 Germany came forward with the outlines of what became the Locarno treaty, and the welcome was the same. At that moment M. Herriot, as chief of a government based upon the so-called Cartel, was sitting as his own Foreign Minister at the Quai d'Orsay. He received with evident mistrust the note which the German Ambassador, von Hoesch, presented to him in Stresemann's name. It proposed that the great European Powers should renounce war for a specified period of time, such promise of abstention to be supplemented with an arbitration agreement which would guarantee a peaceful settlement of all legal and political conflicts, and which could later be extended to all other countries which should see fit to join. Herriot allowed the document to stay in his drawer. Presumably he scented a trap in it, just as Poincaré had done early in 1923 in connection with Cuno's proposal.

This blindness in the face of a suggestion of such far-reaching significance is characteristic of the atmosphere that prevailed at that moment. The two peoples had been insulting each other and whetting their fury against each other, day in and day out, for too long a time. They could not possibly have any faith in anything that either government said to the other government. Briand was not in the Ministry in those days — he was just an influential member of Parliament. When Herriot showed Stresemann's note to him he caught its significance at once and with an amazing outburst of temperament managed to dispel all of Herriot's suspicions.

That was a typical victory for Briand. It was not so much the arguments which he brought forward that worked upon the Premier, as the optimism with which he advanced them. Everything in him was suddenly filled with hopefulness in the future, with enthusiasm for work to be done, with an exciting vision of boundless possibilities. It was Briand's sheer moral force that swept Herriot off his feet — and Herriot was a cautious individual with no liking for foolhardy schemes. As early as March 7 the Frenchman's decisive conversation with Sir Austen Chamberlain took place in Paris. By the middle of April Briand had again assumed the premiership, and the work was then brought to swift completion.

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Unfortunately Stresemann did not succeed, meantime, in definitely settling the two points that were most important for him: an abandonment by the Allies of the thesis that Germany was alone responsible for the war; and, more especially, arrangements for the final and complete evacuation of the occupied area. In those connections Briand brought up against the limits of his power; though to leave those questions open could only result in an appreciable weakening of the healing powers of Locarno. At the time of the signing of the Locarno Treaty in London Stresemann had soundly remarked: "If this gesture does not derive from a new spirit, if it does not mean the beginning of a new period of mutal confidence, it will not have the effects we hopefully expect of it."

That was a significant warning. If there was really to be any relaxation in tension between the two peoples, the so-called "reactions" to Locarno, and specifically and especially the evacuation of Germany, had to come very soon. They did not come. Or, to speak more exactly, they came some months too late. The invisible line was overstepped. That magic moment, to be perceived only by the most delicate eye, when evacuation would have its saving influence, was allowed to slip by.

It is a tragic fact that Locarno represents the high point in Briand's life work, and the beginning of his decline. As is the case with all tragic happenings, the statesman's joys of fulfilment lasted only for a second. So long as a mysterious and at the same time a jovial personal charm could master the momentary situation, everything went well. His words, his smile, his gestures conjured up the vision of a future of peace, and the radiance of it illumined the features of the other negotiators. Those were moments when a refreshing thrill of rejoicing went coursing through the veins of an aged and sorely tried Europe. Those moments will be eternally associated with the name of Aristide Briand. Let no one object that the dreams then indulged in never came true. The fact that they could be dreamed (and will someday come true) was in itself enough to make the air in Europe breathable for the first time in the years following the war. Briand mobilized good will. He brought a world outlook into diplomacy. As we said above, he contributed to the humanization of foreign relations. And he was able to accomplish such results thanks to his unique personality, which was French but at the same time also European.

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At every point where he overstepped his Frenchness to press forward toward the European or the broadly human, France deserted him. The reason why he was able to talk with the Germans, and to a certain extent possess their confidence, was that he did not cling to the usual French custom of tying everything up with the order of the universe. He was always breaking through the hackneyed terminology of the French, in the light of which all French policy is nothing more nor less than an interpretation and defense of civilization on earth. As a result he was able to regard the opponents of France, who were obliged to resist French pretensions, not exactly as offenders against civilization, as sinners against the Holy Ghost of world order, but as human beings who were simply defending their own interests.

What is it that makes any kind of diplomatic negotiations with France so difficult? It is that France always presumes to be speaking in the name of mankind and as the one authorized guarantor of its welfare. Anyone following a policy at variance with French policy is quite likely therefore to fall under the suspicion of being a *mauvais sujet*, or even an enemy of mankind. So it comes about that when French diplomacy is trying to reach an understanding with an opponent, it is always accompanied by a public chorus which brands the opponent in question as a savage or as a public danger. Anyone discussing foreign relations with France has to deal not only with the Quai d'Orsay and the highly refined artistry of that institution, but also with the French philosophy of life which is readily disposed to represent the Quai d'Orsay as the executor of divine justice and the guardian angel of civilization. Whatever France does is always "*un effort admirable pour le maintien de la paix du monde.*" Anything the American, the German or the Englishman does, on the contrary, becomes a manœuvre, an intrigue, an effort at disturbance, not to say (as is usually the case with the German) a reprehensible attack on peace and goodfellowship in the world.

This outlook, which finds its unwitting propagandists in all poseurs, and in most litterateurs and intellectuals who are under the influence of "French charm," was shared by Briand only to a very inconsiderable extent. His enemies assert that he was too cynical for any such thing. We Germans know, instead, that he was simply too clever. On the other hand, it is true that he was not so deeply rooted in the French tradition as, for instance, a Poincaré, or a Barthou. He was an altogether simple man, who read

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very little and felt entirely at home only on his little place in the country. The manifold expressions of French intelligence filled him with awe, but they never interested him deeply. As a result he did not draw on the French spirit for his weapons, as was the case with Poincaré. He was more or less familiar with the history of his country, of course; but he was not as well read as Poincaré, or even as Herriot. He was not, accordingly, forever demonstrating the divine mission of French policy on historical grounds. He was, in the eyes of his countrymen — and quite in contrast with foreign conceptions of him — a bohemian, a person who bothered very little with books. The better educated Frenchman of the lower middle class uses books, or at least has a good assortment of quotations from them. Briand knew Roman criminal law. His other books related to sheep-raising or to flower-gardening — especially to roses. Preferably he quoted proverbs from his homeland in Brittany, or expressions used by the fishermen along its shores.

The Germans had more faith in him than in any other French statesman because they felt that he was one of the few individuals connected with the French Foreign Ministry who viewed all nations as possessed of equal rights and had never set out to *strafe* Germany or require of her that she "learn to behave." The Germans therefore believed him when he said that he had tried to "talk European." That kind of talk had in fact become necessary. No progress had been made through strictly French conceptions. Through those conceptions, indeed, Europe had been brought to the edge of the precipice.

This might seem to be the place to drop a remark as to the Nationalistic movement in Germany; for it might easily be objected that the application of Briand's policies and the gradual liquidation of the war have led to nothing save a gigantic awakening of aggressive chauvinism in that country. Two answers should be made to such criticism.

It should be remembered, in the first place, that all the good things that have been done in the past ten years were done too late. France has never made a single concession to Germany except under pressure of absolute necessity. She has never yielded voluntarily, or at a time when her considerateness might have had the appearance of spontaneity or magnanimity. Neither the evacuation of the Rhineland, nor the abandonment of military supervision, nor the reduction in reparations annuities, could be

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regarded as generous acts. France consented to those measures only after the most stubborn opposition and not until her last resources in refusals, refutations, objections, hair-splittings, had been exhausted. The plain man in Germany, furthermore, has come to regard the words "France" and "hair-splitting" as synonymous terms. Whenever a great hope has dawned on the horizon, France has bobbed up and disappointed it through her veto. The best example of that would be the Hoover Moratorium, which was robbed of all its psychological effects by French pettifogging.

However, the second consideration is more important. The rise of Nationalism in Germany is not a valid reproach against the Briand policy, because present-day German Nationalism should not be mistaken for an expression of the spirit of revenge or of hatred toward France. The younger generations in Germany, who are taking the lead in the nationalistic movement, are no longer interested in France as France. That is the plain truth. They take the position that the war was an affair of the older generations, that they are not concerned with it, that they are not willing to suffer from the consequences of it any longer. They are determined to repel any effort to make them responsible for the defeat of their predecessors, and they do repel it with gestures now ironical, now merely pathetic. They are not thinking of any squaring of accounts by military measures; for they know that such a recourse would now have no meaning. Germany is not going to pay reparations any longer. She is going to obtain parity in armaments. And she will gain those rights without any rattling of sabres. The apparent militarism of these Nationalists is in no sense a militarism of the Hohenzollern type. It is rather an internal, a social upheaval that has no bearing on foreign relations proper. I am aware that the foreign reader will read this statement with surprise, all the more since he knows that the question of the eastern frontiers of Germany is altogether unsolvable. But that question has always been unsolvable, and even a hundred percent success for the Briand policy would not have been able to eliminate it.

To be sure, Briand never succeeded in developing a foreign policy that very far overstepped French tradition. That tradition may be epitomized in three watchwords: arbitration, security, disarmament. Indeed, one may condense the formula still farther and put it in the one central word: security. Security is the one

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thing that France is always demanding: not security against the armed foreign invader only, but security against any disturbance of traditional French manners of living and thinking. The yearning for security is deeply rooted in the French soul, and anyone who comes to know that beautiful and rich and mistrustful country understands the reason why.

If France always feels that she is living under a threat from Germany, her fright is not alone occasioned by unhappy experiences in the past, nor is it born of German military power and German foreign policy. It is also a fear of German inventiveness, German restlessness, industriousness, physical health. The Peace Treaty could not of course eliminate such causes of fear; but the Frenchman knows that it did do one thing: it made a world in which his dreams and yearnings come nearest to realization; and the Treaty holds Germany in a situation of such embarrassment and weakness that she cannot be dangerous. This French uneasiness, born of a thousand considerations, finds its expression in an ardent eagerness for the maintenance of the Treaty; and the moment Germany stirs, be it even to breathe, be it even for the pleasure of seeing the bodies of her children grow strong, France at once interprets the movement as a threat against the Treaty, and the whole gigantic apparatus of mistrust comes into play.

Briand always had a vivid understanding of this French longing for security, and he shared it unreservedly. Because he was a plain man, because he was always more or less the peasant and never lost contact altogether with the soil, he always felt the secret anxiety of the peasant for a patch of ground lovingly tilled. But he was superior to the typical Parisian, the average Frenchman, in this, that he saw the other side of the French longing for security and learned not to regard every stir on the part of Germany as a move to attack. He liked to think of the two countries as divided not so much vertically, by national frontiers, as horizontally by distinctions of class. He liked to talk of the plain people in Germany, who, he thought, would become as devoted as ever to their own plots of ground, to their own soil, if only they could be given a ray of hope again. And in that also he was superior to most of his countrymen; for it is commonly imagined in France that the Frenchman is the only person on earth who has any deep attachment to home.

Translated into terms of foreign relations, Briand's thorough-

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going adherence to the concept of security meant that in the whole course of his diplomatic career he was never once in the position of making a single proposal in the field of foreign relations which did not contain implicitly or explicitly some guarantee of the French *status quo*. I am not here thinking so much of his overt doublehandedness, for which the preponderant influence of the French General Staff was in part responsible, and which consisted in his binding to France a number of satellites, notably Poland and the Little Entente, by treaties, the exact terms of which have never been fully made known and which undoubtedly contain secret military provisos. On this point Briand was overshrewd. He liked the proverb: "Twice stitched, twice hitched." So, while he was suggesting arbitration treaties to the European Powers, his government was arming this or that state of the Eastern or Southeastern Europe, virtually creating a French united command by exchanges within general staffs, establishing uniform armaments (with guns manufactured in French factories, of course), and so freeing the states in question, some of them notorious troublemakers, from the necessity of coming to sound and abiding understandings with their neighbors, especially with Germany. But, as above suggested, in this domain Briand was confronted with established facts which it was not within his power to alter; and several important steps in the connections in question were taken directly by the French General Staff without his having had any opportunity to express an opinion.

In the case of the Locarno Treaty, Briand's concern with security is of course to be taken for granted. But both the so-called Kellogg Pact and the proposal for a European Federation became in his magic hands mere tools to promote the French policy of security. The French Foreign Minister doubtless saw in the increasing tendency among Europeans to form more and more comprehensive alliances a threat to the world order established at Versailles. He saw himself confronted with a union of all "dissatisfied" peoples, who were trying independently to help themselves by organizing a higher economic unit.

That is why he appropriated the notion of the United States of Europe at the eleventh hour in order to divert it to the purposes of French security. Even before he went to The Hague — in fact, on July 31, 1929 — he brought this notion before the Chamber for the first time, and in a form which did indeed take full advan-

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tage of idealistic connotations, but which at the same time left the deputies with the certainty that no demoralization of the existing order was involved, that, on the contrary, that order was to be more strongly welded together.

What Briand had in mind has the appearance almost of a trick at sleight-of-hand. He knew that certain boundaries in Europe were untenable. He therefore conjured up before the eyes of peoples who were suffering from such frontiers the vision of a day when all frontiers would be abolished. It was apparent, even in the examining board appointed to study the project at Geneva, that the idea was being taken up by the various nations in Europe with no particular enthusiasm, whether because they did not feel themselves sufficiently European, as was the case with England, or because they were afraid they were being tricked, as was the case with Germany. In any event, the moment this idea was taken over into French policy it was placed, so to speak, under a glass bell in a position where it could — and can — do no further harm.

Briand's entanglement with the French security policy became even more apparent in connection with the so-called Kellogg Pact, the development of which makes a tragi-comic chapter in the history of French post-war diplomacy. The young demigod, Lindbergh, dropping out of the clouds of night upon the field of Le Bourget, had flown the ocean to Europe like a dove of peace; and the unparalleled enthusiasm aroused by the American hero was cleverly utilized by Briand to launch the notion of an agreement to outlaw war between France and the United States. That idea swam back to America in the bilgewater of the ship that took Lindbergh home. If one could ever really know how in the world the tireless mind of Aristide Briand came to hit upon it!

It should be observed that those were the days when France was struggling desperately and doggedly to avoid ratifying the Mellon-Bérenger settlement of the French war debt to the United States. Could the French statesman seriously have hoped that he could sweep away the French opposition to any abatement, or even cancellation, of the German debt in the tornado of his enthusiasm for peace? Was he not placing too great a reliance on the magic of his eloquence, on the fascination that emanated from his name? Why did Myron T. Herrick, the American Ambassador, not drop a word of warning to his French friend, at the

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time when he was pointing out some of the difficulties that were going to be encountered? In a message to the American people delivered through the Associated Press on April 6, 1927, the tenth anniversary of the American declaration of war, the French Foreign Minister had used the expression: "the renunciation of war as an instrument of national policy;" but he had further added that "the goal toward which we must strive at this moment is not so much disarmament as the actual application of peace." This addendum was not altogether clear. If one chose, one could be satisfied with an understanding that the immediate objective was not disarmament.

That this assumption had something in its favor soon became apparent. For Kellogg adroitly seized on the idea, and set out to extend it to all nations. The French were terrified. There then followed, over a month's time, an exchange of notes between Paris and Washington; and never has the naked skeleton of the classic post-war policy of France come more clearly to light than in that correspondence. Two worlds stood facing each other: the progressive, Protestant American world, relying largely on moral factors; and the conservative, formalistic, almost Roman world of the French, mistrustful of human freewill, disposed to leave nothing to chance or growth, and determined to create an instrument of power which would be called into action the moment moral pressures no longer sufficed. When the Americans pressed for the extension of the treaty to a number of nations, France began insisting on bald demands for sanctions; and it was in the end apparent that out of the negotiations France was trying to squeeze guarantees of military support from the American army and navy for the security of the world system organized at Versailles. It was clear that under such conditions the treaty would have to remain a matter of patchwork. England made reservations *vis-à-vis* the dominions; and France reserved the "right to legitimate defense within the terms of existing treaties."

In using this language it became evident that French foreign policy was quite clever in taking advantage of the fact that the concept of legitimate defense has never been susceptible of accurate definition. The Geneva Protocol had already suffered from the impossibility of defining beyond dispute the nature of an attack. And so it was with the Kellogg Pact, where France, after all, retains her freedom of action by always having a way out through a concept that cannot be made specific.

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The signing of the Kellogg Pact was, however, a great moment, if for no other reason than that Stresemann, his features already marked with signs of his fatal illness, made a first visit to Paris on that occasion. That visit was perhaps more significant than the Pact itself. For both Pact and visit Briand was alike responsible, and in that episode we see him at work in his full scope: he is busy forging ambiguous and very questionable diplomatic instruments; but at the same time he is creating such a human, such a pleasant, atmosphere that something is won for the cause of universal peace in any event.

And so things stood down to his death. There were to be his defeats, of course. In November 1929 he was beaten before the Chamber on a question of foreign policy. Tardieu came forward, and then Laval. Briand still held a seat at the Quai d'Orsay; but when the evacuation of the Rhineland did not have its expected effects on the atmosphere in Europe, a deeper shadow came over his life. Briand was actually the first man to lose his head when Germany made known her intention to conclude a customs union with Austria. Before Chamber and Senate he combated this intention with arguments that clearly show that he had already abandoned any thought of any further effective collaboration toward world organization. He was not the man designated to accept Germany's capitulation at Geneva — his physicians had forbidden him to make the journey. It was M. Flandin who went, a man who works within the orbit of the traditional French policy but without possessing any of Briand's genuine and outstanding characteristics even by way of reflected light.

Everyone knows the rest. In the ensuing presidential elections Briand was beaten by M. Doumer, at the time President of the Senate. France, or to speak more accurately, the French Parliament, was eliminating Briand just as Clemenceau had been eliminated. And was it the foreign policy of Germany that indirectly struck him down with the fatal blow? Many people assert that such was the case; and if so, it would serve to fill out the tragedy of Aristide Briand, who fought harder than any other Frenchman for the improvement of relations between Germany and his country.

The old man, whose shoulders had drooped lower and lower as the years went by, whose delicate cardinal-like hand was always holding a cigarette, whose habitually smiling lips so readily found the kindly or the sublime word, died a few months after

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his political course had been run. The great importance he managed to acquire in post-war diplomacy depended on the curious contradiction in him: that he was a hundred percent Frenchman, but at the same time was more than a Frenchman. From the horrors of the war — we should not forget that he headed his government during the endless battle at Verdun — he had experienced the severest and deepest shock that ever racked a human being. He learned at that time to think not only of the future security of France, but to embrace our whole poor humanity in a simple kindly affection. Peace, in his eyes, was not just a French concern, but a matter for all mankind; and that was why, for a moment, he was able to function as the spokesman of all Europe. The Germans owe much to him; but it is in keeping with the thankless and painful rôle of that people that Briand's foreign policy should come to grief in the very regard of Germany. For though the Germans had learned to appreciate the French statesman's warm-heartedness, his sincere desire for peace, they could never understand why, at the same time, he should try to keep them from breathing. However, the Germans also dreamed with him his dream of peace, and willingly. For what could have greater effect upon a youthful, impoverished and suffering people than the simple gospel of a simple soul?

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BEFORE OTTAWA

By H. V. Hodson

THE question of tariff preference within the British Commonwealth of Nations has been prominent in our domestic and imperial affairs ever since Mr. Joseph Chamberlain launched his tariff reform campaign in 1903. It was not by accident that the demand for economic arrangements with the dominions and colonies should have arisen in Great Britain at the turn of the century. The Victorian ambition to make England the workshop of the world — a position which for a while she held, indeed, on the strength of free trade at home and widening markets abroad — faded as other countries grew in industrial power, often behind the shelter of tariff walls, and as the dominions themselves took the path of industrial protection. The tariffs of Canada and Australia lent as much force to the plea for imperial preference as did those of Germany and the United States. But Mr. Chamberlain died with his plan unfulfilled. As industrial prosperity continued, the electorate felt itself to be well enough off without such dubious economic experiments, and the Liberal landslide of 1906 set up in office a government pledged to strict free trade.

The war wrought a great change in the problem of imperial preference. In the first place, it united the countries of the British Commonwealth in a joint endeavor, contrasting sharply with their normal devolutionary tendency, and gave them an unwonted sense of common interest. The Imperial War Conference of 1917 passed unanimously the following resolution:

> The time has arrived when all possible encouragement should be given to the development of Imperial resources and especially to making the Empire independent of other countries in respect of food supplies, raw materials and essential industries. With these objects in view this Conference expresses itself in favor of the principle that each part of the Empire, having regard to the interests of our Allies, shall give specially favorable treatment and facilities to the produce and manufactures of other parts of the Empire.

In the second place, the exigencies of war gave rise to a world surplus of productive capacity in a large number of industries, among them several in which Great Britain had previously held a dominant position; and partly because of this, economic nationalism both in Europe and in the New World flourished more

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strongly than ever. It was natural, in these circumstances, that Great Britain herself should have listened more attentively to the advocates of protection, and that imperial preference should have become an important feature of her actual tariff policy and of protectionists' plans. It is remarkable, indeed, that arguments against imperial preference as such have taken a minor place in post-war fiscal dialectic. All political parties have concurred in associating imperial preferences with any tariff which we might happen to possess, though free-traders have denied their intrinsic value as a positive reason for raising a protective tariff; even the last Labor Government freely undertook, at the Imperial Conference of 1930, to maintain all existing preferential margins, subject only to budgetary necessities.

Nevertheless, progress towards a system of agreed mutual preferences, such as Mr. Chamberlain envisaged, has been very slow, especially by contrast with the great constitutional changes that have been effected meanwhile. The 1923 Imperial Economic Conference, held during Mr. Baldwin's first ministry, reiterated the resolution of 1917, and accepted promises made by the United Kingdom Government to grant new or increased preferences on tobacco, wine, dried fruits and one or two other commodities. The 1926 Conference did not deal with preference at all. In 1930, the second Labor Government were forced to declare to the imperial representatives that "the interests of the United Kingdom preclude an economic policy which would injure its foreign trade or add to the burdens of the people." Nevertheless, they suggested that examination of the methods whereby each government could make "the greatest possible contribution to economic coöperation within the Empire" should proceed, in preparation for a fresh conference. This new conference is to assemble at Ottawa in July 1932.

For this unimpressive record two causes are plainly responsible: first, the refusal of the British electorate to countenance the abandonment of free trade; and second, the growing economic nationalism of the dominions. Public opinion in Great Britain was particularly impressed by the statement, in the report of the Balfour Committee on Industry and Trade (1925), that since 1914 the main increases of tariff rates on British exports had been within the British Empire, and that in fact the incidence of foreign customs dues on our exports had altered slightly in our favor. In the next half dozen years after that was written there

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was, of course, an enormous world-wide rise of tariffs emphasizing ever more sharply the isolation of Great Britain in her free trade policy.

That was the background against which the problem of imperial preference was set when the Imperial Economic Conference to be held at Ottawa was mooted by the Labor Government, as a means, we may suspect, of delaying the final admission that their fiscal policy effectively prevented the elaboration of an imperial economic system based on tariffs. The possibility of the success of such a conference seemed to diminish as the necessity for it grew. On the one hand, while successive British administrations praised and practiced the principle of imperial preference, its scope was limited, by the maintenance of general free trade, to minor articles of commerce. The dominions, on the other hand, accorded to Great Britain a large and invaluable measure of preference, but as their primary preoccupation was in most cases to protect their local industries, the rate of duty accorded to Great Britain was frequently fixed at the level necessary to keep out the bulk of imports, the foreign rate being then almost prohibitive.

The last few months have greatly altered the Conference's prospects. The change of government in Great Britain swept away at a stroke one obstacle to a systematic exchange of imperial preference. It is clear that the first motive of the electors last October was fear of financial disorganization and of inflation which appeared imminent under a socialist régime of unbalanced budgets; but it is equally certain that, beneath the pressure of the monetary and commercial crisis, the majority of the voters were willing, as they had never been before, to try tariffs as a practical measure of defense; and that the attraction of tariffs was considerably enhanced in their eyes by the possibility of contracting advantageous preferential arrangements with the dominions. This reasoning was backed by a certain irrational anti-foreign sentiment. Whatever the explanation, Great Britain has now a moderate tariff covering the greater part of her imports and embodying the principle of imperial preference. On the other hand, while it is far too early even to hint that the high tariff phase in the commercial policy of the dominions is ended, there are signs that its merits and defects are being much more critically scrutinized than hitherto. In Australia, for instance, the new Nationalist Government has definitely begun to reduce tariffs — the

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first important move in that direction anywhere in the world for the past four or five years. Moreover, the common economic interest of the different members of the British Commonwealth of Nations has been underlined by the divorce of sterling from gold, which brought with it the simultaneous depreciation of the currencies of every country of the Empire except South Africa. There, the retention of the gold standard has become a political and even indirectly a racial issue, but it is significant that General Hertzog's government has had to take special measures, by way of import duties and export bounties, to counteract the effect of the cheapening of the pound. The position of the Canadian dollar, roughly midway between its parities on New York and London, reflects the contradiction between the commercial and the financial interests of Canada. In parenthesis it may be added that the association of non-Empire currencies (notably those of the Scandinavian countries and Argentina) with the depreciation of sterling has likewise emphasized the interdependence of the Empire with the rest of the world and the impossibility of establishing an exclusive British economic system.

Some idea of the inevitable limits to the development of an Empire economic group is given by consideration of the obstacles that oppose the project of "Empire free trade," associated especially with the personality of Lord Beaverbrook. Its fulfilment would in any case be prohibited by the determination of the Dominions, constantly reiterated by their responsible spokesmen, to maintain their secondary industries. The governments of the dominions (*i.e.*, Australia, Canada, the Irish Free State, Newfoundland, New Zealand and South Africa) have had, throughout their existence as dominions, complete fiscal autonomy; and they will continue to base their commercial policies upon their own necessities and ambitions. India, though constitutionally subject to restraint, in practice possesses almost equal liberty, and moreover has avowedly and inevitably directed many of her protective measures against her chief supplier, Great Britain. The other parts of the Empire, from Southern Rhodesia or Ceylon to the obscurest colony, all have some voice, usually decisive, in the construction of their own tariff systems; and, whether their purpose is protective or fiscal, immunity of all British goods from import duty would be out of the question. In the territories that we govern under mandate we are pledged to maintain the principle of non-discrimination between British and foreign goods.

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Above all, Great Britain has to consider her own obligations and necessities. Her economic system has been built up on the basis of cheap imports, especially those foodstuffs and raw materials which the Empire itself produces; hence she is very loath to limit in any way her sources of supply. Her trade with foreign countries is of vital importance for her welfare, and she must view with distrust all measures which might limit their ability or willingness to buy from her. Roughly two-thirds of her exports go to countries outside the Empire, from which it follows that for every x percent by which those markets for her goods are diminished, imperial markets must be enlarged by twice x percent. Nor are her interests in the rest of the world commercial only. She is the world's greatest ship-owner and (in normal circumstances) the greatest financier of international trade. She has some £4,000 million (nominal) of long-term investments abroad, one half of which have been placed outside the Empire. While, therefore, there is no irremovable impediment to her preserving free entry for all the products of the Empire, the implication of the Beaverbrook scheme, that she must forthwith clap tariffs of a protective height on most if not all imports from foreign countries, is laden with the most alarming dangers.

Great Britain's interest in particular foreign countries will also be among her *arrières pensées* at Ottawa. In 1930, exports from the United Kingdom (excluding re-exports) totalled £570 millions, of which £322 millions were for foreign countries. The three Scandinavian countries together took £33 millions, and Argentina £25 millions; apart from the dominions, only the great industrial Powers came near these figures. The £350 millions of long-term capital which it is reckoned Great Britain has invested in Argentina reinforces the trade connection; indeed it accounts directly for a great part of our export business with that country, whose railways, for instance, are almost entirely owned in Great Britain and purchase their locomotives, rolling stock and materials here. The reliance of these countries on Great Britain for the disposal of their exports is of little less concern to us. Retained imports from Denmark, Sweden and Norway — with the last of whom, unlike the other two, we had a positive balance of trade — totalled £87 millions in 1930, and imports from the Argentine £55 millions, out of total retained imports of £957 millions, including £259 millions from the rest of the Empire. Even the most ardent economic imperialists admit that these

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foreign countries stand on quite a different footing from, say, the United States, since their impoverishment through the reduction of their sales to Great Britain must react directly and immediately upon their ability to buy from us and to contribute to our "invisible exports." Some would even include them in the schematic British *zollverein*, the desirability of which, it is argued, is indicated by the balance within the Empire between manufacturing and raw-material-producing countries. This conception of economic groups, be it said in passing, leaves out of account the fact that, as the mechanical and biological sciences advance, the production of unmanufactured foodstuffs and of raw materials takes a smaller and smaller toll upon the world's economic effort, and the exchange of manufactured goods and services forms a larger and larger proportion both of local and of international trade. This consideration should remind Great Britain how inevitable is the development of the dominions as manufacturers, and how essential her markets in foreign manufacturing countries are bound to remain.

Thus general bounds are set upon the elaboration of an imperial fiscal system both by political and by economic factors. When we turn to examine particular commodities other difficulties appear. Of the two most notable primary products entering into trade among Empire countries, wheat and wool, the exportable surplus of the Empire producers easily exceeds the total consumptive capacity of Great Britain and other British importing countries. Hence whatever concessions were arranged within the Empire, markets would still have to be found in foreign countries, and in default of a concerted "hold-up" (such, for instance, as might be organized by compulsory wheat pools) neither imperial quota nor imperial tariff preference could secure for Empire producers a higher return than the world price, or guarantee the disposal of the whole of their crop. The Australian Minister of Commerce, calling attention to this, has stated that he did not intend to encumber his case at Ottawa by seeking preferences on wheat or wool, but would concentrate on tariff concessions for meat, eggs and dairy produce.

These are items in which other parts of the Empire are also keenly interested. As far as beef is concerned, Argentina is our principal supplier of chilled beef, with which the Australian frozen beef only indirectly competes. The dominions already provide two-thirds of Great Britain's imports of frozen beef, while

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the same proportion of her mutton imports also comes from the overseas Empire. Hence on these two commodities, while a tariff could do little harm, it would be equally limited in its advantage. On the other hand, Great Britain buys only 6 percent of her imported bacon from Empire countries; nearly two-thirds come from Denmark alone, who would be severely injured if a tariff were placed on foreign bacon. We buy only a small proportion of our imported hams from the Empire, the principal purveyor being the United States. By far the greater part of our imports of eggs, too, come from foreign countries, Denmark leading again and the Irish Free State being the chief Empire supplier. In the dairy produce group, the main sources for British imports of butter are Denmark, New Zealand and Australia, the first-named providing more than the two dominions together. Cheese is imported almost entirely from the dominions.

These desultory facts, relating to commodities which the Australian Government, at least, thinks will be the most important in the Ottawa negotiations, lay bare the objection that if special treatment is accorded (whether by means of exemptions from the tariff or by means of preferences involving the abandonment of the most-favored-nation principle) to the group of foreign countries specially connected in trade and finance with Great Britain, there will not be much preferential advantage left for the dominions. Aggregate imports of certain commodities, namely, beef and veal, mutton and lamb, pork, ham, bacon, eggs, butter, cheese, milk and milk products, into the United Kingdom in 1930, were divided as follows:

	Percent
Canada	2.0
Australia	5.8
New Zealand	16.5
South Africa	0.4
Irish Free State	5.1
Other Empire countries	0.4
Total, Empire	30.2
Denmark	26.8
Sweden	2.6
Argentina	18.0
Other foreign countries	22.4
Total, foreign countries	69.8

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There is certainly room for expansion of Empire production, but it is equally obvious that any attempt at rapid diversion of trade would be very dangerous.

There are, of course, other primary commodities which the dominions and colonies produce in large quantities and for which they might seek further advantage in the British market — corn (*anglice*, maize), which is a staple crop of South Africa; coffee and sisal, grown largely in the East African colonies; sugar, the existing preference on which is regarded as inadequate by the British West Indies; timber and fish, which interest Canada and Newfoundland; fruit, which is grown for export in many parts of the Empire, notably in South Africa; oilseeds and ground-nuts, the produce of India and tropical Africa; tea from India and Ceylon, (though it already has a substantial preference); and a number of others. On the other hand, Great Britain, as a great commercial and manufacturing country, has always to consider very critically the advisability of clapping tariffs on raw materials or on foodstuffs which enter into the diet of the masses. Her present tariff illustrates the difficulty of her position in this regard; the "free list" includes, *inter alia*, wheat, corn, meat (including bacon and ham), raw cotton and wool, cotton seed and linseed, soya beans, hides and skins, wood pulp, newsprint, metallic ores, copper, pit props, and coal and coke. No duty under the general tariff is chargeable on imports from the colonies, and none on imports from the dominions, India or Southern Rhodesia until November 15, 1932, that is to say, until arrangements for the future have been reached at Ottawa.

The different dominions, it will have been observed, are interested in widely different commodities. A preference on wood pulp, for instance, would not be of great value to Australia, nor one on mutton to Canada. This consideration alone seems to rule out any comprehensive agreement to which all the participating countries would be signatories. Indeed it is likely that the only profitable course for Great Britain to adopt will prove to be the negotiation of separate understandings — not, presumably, definite treaties pledging the parties to maintain certain levels of duties, for these are repugnant to the fiscal and political traditions of British countries throughout the world — even if that were to imply discrimination between the various dominions. For their part, the latter have their own political and economic problems limiting their ability to assist the mother country.

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South Africa, for instance, has a trade treaty with Germany securing to the latter all preferences granted after the date of the treaty to Great Britain or to any other country of the Empire, though it is understood that the South African Government is prepared to denounce the treaty if they are sufficiently pleased with the outcome of the Ottawa Conference. Similarly, the "Canada First" policy may handicap the northern dominion in granting British goods more liberal terms of entry than at present, and she has further to consider her special economic relations with the United States. The readiness with which, as in the past, branches or subsidiaries of United States firms could be set up over the border discounts, in some cases almost to zero, the value to British manufacturers of a mere increase of the Canadian tariff on foreign goods, while certain Canadian markets, like that for electrical equipment, are barred to Great Britain either by private international agreements or by the employment of American standards or by the existence of industrial combinations which laugh at frontiers. Newfoundland is at present too much embroiled in financial and political difficulties for her attitude to have clearly emerged. In Ireland an unfortunate political dispute has injured the good relations that have subsisted for ten years between the Free State and Great Britain, and although an Irish delegation will attend at Ottawa the British Government seems unlikely just now to accord the commercial advantages of imperial membership to a member which attempts to resign from its constitutional responsibilities; in any case, the Fianna Fáil Government is pledged to a course of high protection which, since so large a proportion of the Free State's imports are British, must be directed in some measure against the United Kingdom.

India has never been able to commit herself to imperial preference, since the outstanding competitor with her own industries is Great Britain; but the strong delegation which she is sending to Ottawa, including the leader of the Nationalist Opposition, indicates that she may find it possible to alter her policy — if she is offered sufficient inducement. New Zealand, on the contrary, has always afforded a high degree of preference to the mother country, and while her willingness is doubtless unchanged her ability to go further is limited both by the intention to defend existing industries and by the necessity of securing a favorable balance of trade in order to meet her financial obligations. Aus-

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tralia has similar preoccupations, but her new government seems determined to lop off the more extravagant parts of her protective tariff, and under the leadership of Mr. Bruce, the former Prime Minister, she is sending to Ottawa a delegation well versed in the necessity and the potentialities of a more rational division of industrial effort within the Empire. The commercial and industrial advisers who will accompany the British and other delegations will probably bend most of their attention to this problem, which is primarily one of agreement among groups of manufacturers and only secondarily one of tariffs.

Nothing has yet been said as to the other economic questions that are bound to crop up at Ottawa. They may be put into three groups: organization, currency and migration. In Great Britain, representatives both of employers and of trade unionists, as the parties most nearly concerned with industrial prosperity, have urged upon the government the need for establishing a permanent economic secretariat for the Empire, as well as the need for holding regular imperial economic conferences of experts and officials. Already there exist a number of bodies, like the Empire Marketing Board (for scientific and economic research as well as publicity) and the Imperial Economic Committee (an investigatory and advisory body of officials), which might be merged in such an organization to the better coördination of their work. But considerations of finance as well as the sentiment of the dominions make it clear that the time is not yet ripe for any grand new administrative structure, corresponding, as has been suggested, to the economic and financial organization of the League of Nations, with its paraphernalia of committees, secretariats and conferences. The British Empire has nothing to compare with the League largely because it has no Geneva. It has no neutral center, only a metropolis whose predominant influence is suspect among the outer parts, which dearly cherish their political autonomy and fear to see it lost in administrative and economic subservience. Most emphatically does that apply to monetary affairs, and, if for no other reason, the project for an Empire currency system — brought very much to the fore since the British suspension of the gold standard — would be ruled out because it would give the Dominions the not altogether baseless impression that they were being made subject to the financial policy of London. The issue will undoubtedly be raised at Ottawa, but the uncertainty regarding the future of the pound

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sterling renders it impossible to expect more than provisional stabilization of exchange rates within the Empire.

Still more likely to rub sore places is the question of migration. The dominions — except, of course, Ireland, herself a great emigrant country — have long been regarded as the natural outlet for the overflow population of the British Isles, especially since the United States set such severe limits upon immigration; but as the world depression has deepened, conditions there have become progressively less attractive compared with those prevailing in Great Britain, with her elaborate social services. As a result thousands of unemployed emigrants are now clamoring for repatriation. Many have already found their way back, and in 1931 the number of passengers entering the United Kingdom from other Empire countries actually exceeded by 23,000 the number of those sailing in the opposite direction. In these circumstances, governments both in Great Britain and in the dominions will undoubtedly be anxious for some time to come to restrict their intervention in, and hence responsibility for, migration movements; nevertheless, the Ottawa Conference may be expected to make at least a declaration of principle on the subject.

That this account of the prospects of the Conference should have been largely a chronicle of doubts, dangers and difficulties was, perhaps, inevitable, for the higher the ambition the greater the hazards that beset its attainment. In the minds of the thinking British public the principal aim of the Ottawa Conference is certainly a high one — to accomplish within the British Empire some mitigation of the restraint of international trade that characterizes the post-war world. Success in this sense will be difficult indeed to secure; whereas success in the sense of engineering an agreement based on still loftier tariffs against the outside world may prove fatally easy. In such a course Great Britain, with her vast foreign trade and her intricate financial connections throughout the world, could never have any real or permanent interest. She seeks, above all, greater freedom of world trade; her new tariff and her efforts to use it for the enlargement of her markets in the dominions reflect her inability, hitherto, to obtain much satisfaction from foreign countries in pursuing that goal. Hence if the Ottawa Conference genuinely succeeds it will represent for the rest of the world an opportunity lost and an example gained; while if it fails, it will be for everyone an opportunity wasted and an example inflicted.

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DANUBIA: RELIEF OR RUIN

By Hamilton Fish Armstrong

STARVATION prices for agricultural products, strangulation of trade, government bankruptcy, the threat of social collapse, these for over a year must have been echoing with relentless monotony through the dispatches of every diplomat, newspaperman and banking correspondent in Eastern Europe. The paralysis has gripped almost the whole region lying between the Baltic and the Aegean. For the purposes of this article, however, we shall in particular consider five states — Czechoslovakia, Austria, Hungary, Rumania and Jugoslavia — lumping them together and christening them "Danubia." We shall concentrate attention on these five states both because they now control most of the territory that once formed the single economic unit called the Austro-Hungarian Empire, and because they recently have been the subject of a definite proposal for economic reform put forward by the French Government.

For some time it has been a question whether the economic chaos in Eastern Europe can be kept from culminating in a major disaster, and whether the Great Powers can themselves avoid being engulfed in it. Critics of the post-war treaties have emphasized that the free-trade area which was Austria-Hungary is no longer free, and have said that this proves the stupidity of the statesmen who met in Paris. The statement goes too far. Certainly many of the troubles of Europe are due to the establishment of new frontiers; but it was not formal action by the Peace Conference but a long history of exploitation of one race by another, of resulting hates and rivalries and hopes, that broke the old Dual Empire into its component racial parts and launched each part on a career of political and economic nationalism. On the other hand, we must not minimize the fact that the establishment of new frontiers did not make the peoples who live along the Danube subject to different laws of life. Today they have much the same needs that they had before the war, and by and large they are equipped to produce much the same commodities as in the past. The problem each has still to solve is how to save its independence and individuality and at the same time give recognition to the fact that it cannot live an isolated existence, supplying domestic needs from domestic resources, and, when it trades

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abroad, selling much and buying little. Even a great country occupying most of a whole continent is just discovering the ruinous cost of following that phantom aim.

During the last week of February the French Government prepared a memorandum suggesting that the western Powers take joint notice of the threatening situation in the five Danubian states, and that the governments of those states be urged to consult together at once how to lower tariffs and remove trade and exchange restrictions; this action, it was suggested, would have to be preliminary to granting the fresh financial assistance from outside which experts agreed was imperatively needed. As the French and British financial stake in the Danube states is already very heavy, and as any fresh money must obviously come from Paris and London, it was natural for the initiative to be taken by Premier Tardieu of France in close consultation with the British representatives in Geneva and Paris. The Tardieu proposal was promptly communicated to Italy, and soon afterwards to Germany, and was also brought orally to the attention of the Danube governments.

The paternity of the Tardieu plan was from the first considered a question of capital importance in circles where any French proposal is automatically suspect — among German nationalists, naturally, and among English liberals, one of whom spoke of the plan to the writer as being "just another French trick." Mr. J. L. Garvin hardly hid that such was his idea of it; and in staccato articles in the *Observer* he rejected anything practicable in favor of anything impracticable. As a matter of fact, this particular effort to bring about an economic rapprochement of the Danubian states originated almost as much with Sir John Simon as with Premier Tardieu,[1] and was not given an exclusively French label until after the British Foreign Minister had returned to London. He there found, as predecessors had found before him — among them Mr. Henderson, Sir Austen Chamberlain and even Lord Balfour — that the views a Foreign Minister holds in Geneva must often be watered down when he gets home.

Nor was the initiative of M. Tardieu particularly novel. Many statesmen have sought to minimize the economic results of

[1] The British Government, moreover, had already taken independent action in somewhat the same sense. In January 1932 it had asked the German and Italian Governments to express an opinion regarding a customs union of the five states mentioned above, plus Bulgaria, but had drawn back in face of what Dr. Gustav Stolper calls the "prompt and negative" reply of Berlin (*Deutsche Volkswirt*, March 11, 1932).

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parcelling out among different racial groups the region once exploited jointly by Vienna and Budapest. Many of their schemes exhibited more inventiveness than thought, and all proved politically impracticable. In scope they varied greatly — from proposals for a thorough-going customs and even monetary federation of the so-called Succession States, all the way down the scale to proposals for much more restricted arrangements, such as an Austro-Hungarian customs union, a special tariff régime between Austria and Czechoslovakia, the union of Austria with Germany, a "Green Internationale" of the agrarian states, or the development of the Little Entente into an economic as well as a political alliance.

All these schemes, and many similar ones, came to nothing. Once again it was proved that peoples are guided less by enlightened self-interest than by sentiment; while the indifference or hostility of outside Powers proved that they were too engrossed in committing suicide in the grand manner to bother about exterminating what seemed lesser microbes in the world's blood stream. The more ambitious sort of scheme was put forward several times by Dr. Beneš, Czechoslovakia's indefatigable Foreign Minister; but it always met with strenuous resistance outside as well as within the area directly affected. The fate of the most recent effort to promote a customs union between Austria and Germany is well known; the world is still staggering from the train of political and financial events tipped off by the *coup de théâtre* in which Dr. Curtius and Dr. Schober participated in March a year ago. Italy thwarted the Austrian proposal to unite economic forces with Czechoslovakia, by insisting on being included. The "Green Internationale," to which Premier Stambuliski of Bulgaria devoted much effort in 1921, died when he was killed by the enemies of Jugoslav-Bulgar collaboration. As for the "economic Little Entente," it was discussed as early as May 1927 and the first of several conferences about it was held in Bucharest in February 1929; but though the commercial relations of the three participating countries were somewhat improved no general consolidation resulted and nothing of broad value to Europe was achieved.

M. Tardieu was undeterred by this disappointing record. Events last spring and summer had plainly showed that disaster and panic in Austria and Hungary can spread like wildfire to the centers of the world's wealth and power. A desperate cry for help

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from Chancellor Buresch of Austria reached Paris just as M. Tardieu was preparing to assume direction of French policy. Soon afterwards French representatives at Geneva were instructed to begin discussions with Sir John Simon about what might be done. The Shanghai affair intervened, however, and it was not until the last week of February that the French Memorandum[2] outlining a possible course of procedure was drafted. Despite open skepticism and covert opposition in Berlin and Rome, and undiscouraged by applications for consideration which began pouring in from other states (Poland, Bulgaria, Turkey, even Switzerland), Premier Tardieu proceeded to force the pace. He had been invited, like his predecessor, to visit London, and he now indicated his intention of acting on the invitation. Premier MacDonald — resentful, some think, of Sir John Simon's initiative, and worried by the appearance of too close coöperation with France — countered by sending invitations to Berlin and Rome for a Four Power Conference to convene in London for a general canvassing of the whole Danubian situation. Premier Tardieu then announced that he would visit London before that Conference met, and actually arrived April 3.

In answer to the criticism that M. Tardieu was improvising instead of thinking out a detailed procedure, his friends point out that some bold initiative was long overdue, and that the way to begin is to begin. To encourage him to act with hope of more success than others had achieved was the fact that the world was obviously dismayed and sobered by the remorseless deepening of the universal economic crisis. To this general consideration was added the special one that England, in so far as her sentiments were revealed by Sir John Simon and Lord Tyrrell, British Ambassador in Paris, seemed to feel more sure of her own ability to ride out the storm and hence more willing and able to participate in some major constructive effort. No one needed to emphasize the gravity of the crisis in most parts of Central and Eastern Europe. The excitement and distrust which had sprung up there following the failure of the Kredit Anstalt had spread like a plague after England's abandonment of the gold standard. Stock exchanges closed, currencies tottered, capital migrated hither and yon seeking safe refuge, emergency exchange restrictions were rushed through in many countries in the effort to keep capital at home; simultaneously trade was slaughtered

[2] Officially dated March 2. For text see London *Times*, March 18, 1932.

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by embargoes, factories slowed down or came to a standstill, unemployment increased, commodity prices kept slumping lower and lower, uncertainty and distress pervaded every section of the community. The trade embargoes that were set up were varied in some cases by "contingent" arrangements, but these were hardly less stifling to commerce. The situation in which businessmen and bankers found themselves became progressively worse. Money due for goods already shipped could not be collected and unsold goods tied up capital, the while customs receipts fell off and taxes began to be difficult or impossible to collect. Government moratoria appeared in the offing and before long existed either officially or *de facto* in several states. Most dreadful of all to people who once already had been ground in the relentless mill of inflation, the whisper began to go about that another revaluation of currencies was becoming inevitable. The winter of 1931–32 turned out to be the worst since the cessation of actual hostilities in 1918.

During March the Financial Committee of the League of Nations had been meeting in Paris to consider what steps might be recommended for assisting the countries in most acute distress, above all Austria and Hungary.[3] Obviously their investigations could only lead to the paradoxical conclusion that several of the states had already hopelessly over-borrowed and could not pay interest on their present debts, yet that they must be given fresh advances. Conscious that France still had money in her pockets, pressed hard for help (in several cases by states politically allied to France), anxious to salvage the loans already made, and encouraged by the fact that the whole world seemed impressed by the gravity of the crisis, Premier Tardieu went to London and urged immediate action. He proposed that the Danube states be asked to agree to cut the tariffs existing between them by ten percent, abolish all import and export prohibitions, abolish exchange limitations, and possibly even establish a common currency. He admitted that the ten percent cut would not in itself be of great value; but he thought it would mark an important reversal of direction, and he urged it as merely a first step. He further suggested that outside states permit the reform to be realized by waiving most-favored-nation treatment, and indicated that if they did France would be willing to give her share of a reconstruction loan, tentatively fixed at

[3] See Report of 45th Session of Financial Committee (1932. II. A. 5); summarized in the London *Economist*, April 9, 1932, p. 785–6.

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about $40,000,000. He did not suggest that outside states accord preferential tariff treatment to the surplus production of Danubia, but enemies of the project suspected that some such idea was also in his mind.

With all this the German and Italian Governments said plainly at London that they would have nothing to do. The Conference was indeed held at a most inopportune moment for Germany, with Chancellor Brüning engrossed in last-minute campaign speeches and unable to risk any appearance of irresolution in defense of German interests, commercial, agricultural or political — and all were involved. Germany and Italy have important trade interests in the states of the Danube basin, much larger ones than France and Britain. They were not going to waive most-favored-nation treatment without compensation. They would have liked to be included in the proposed bloc; but they realized that to demand this was tantamount to rejecting the scheme entirely. As a compromise they made ready to ask for secondary tariff privileges midway between the rates fixed between the states of Danubia and the rates fixed between Danubia and the rest of the world. As things turned out, however, Herr von Bülow and Signor Grandi did not need to go even so far as to discuss this compromise; they succeeded in arranging for the Conference to fail over mere questions of procedure without incurring opprobrium for blocking the plan as a matter of policy. They simply vetoed the plan unless they were allowed to sit as members of the proposed conference of Danubian states; this demand the French and British declined to accept, and the Conference disbanded. The failure (to which, let it be repeated, French over-optimism and British hesitation also contributed), was to prove a serious blow to M. Tardieu's prestige and a contributing cause of his party's defeat at the French elections a month later.

The underlying reasons that set Germany and Italy against the French plan were obvious enough. To Germany it sounded the death-knell of the *Anschluss* and of any future revival of the *Drang nach Osten*. Italy feared the restoration of the power that had been Austria-Hungary and was determined to forestall a new constellation which would end the influence she had built up at Budapest and nullify her efforts to become arbiter of Balkan affairs. Both dreaded the creation of a bloc under the influence of French diplomacy and finance.

The method proposed by M. Tardieu was direct negotiation

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between the governments of Czechoslovakia, Austria, Hungary, Rumania and Jugoslavia; the Great Powers were to give advice and encouragement, but were not to participate directly in the negotiations or seek favors for themselves. The five governments were to prepare a series of preferential tariff treaties and take them *en masse* to Geneva. In effect, they would announce that they had done the best they could to reconcile their different interests; it would then be up to the Great Powers to decide whether the scheme seemed for the good of Europe and if so whether they would accept whatever disadvantages it might entail for them individually, or, alternatively, demand special consideration. The method had some aspects which Sir Arthur Salter declares[4] should be present in any far-sighted tariff reform in Europe at the present time: 1, it offered a first step in a process which might be extended subsequently to include a wider area; 2, the suggested grouping was of contiguous countries, but not of countries forming one political group; 3, while proposing first of all to reduce tariffs between the participating states, it did not rule out as a simultaneous aim the reduction of tariffs between the group as a whole and outside states, in fact it tended in that direction by making a gap in the most-favored-nation system. If Germany and Italy opposed the plan because these points were not sufficiently clear it was open to them to say so plainly. The negotiations could then have gone forward, with the points either reserved for later consideration or implicitly accepted in advance. They preferred to block action with talk about procedure and left outside observers with the feeling that their principal aim had been to defeat France by defeating M. Tardieu.

But let us leave aside for a moment the political reasons responsible for the opposition of Berlin and Rome, and examine the particular economic and commercial factors which in themselves are enough to make any agreement between the Danubian states extremely difficult. Even a perfunctory study of their economic structure and trade relations shows many obstacles to concerted action. To begin with, two of the states, Czechoslovakia and Austria, have strong industries, whereas the other three — Hungary, Rumania and Jugoslavia — are mainly agricultural. The three agricultural states have been struggling ever since the war to build up infant industries, and of these they are inordinately proud. Taken as a whole, however, the area is predominantly agri-

[4] "Recovery," Chapter IV.

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cultural, for Czechoslovakia and Austria (each with important and growing agricultural resources) are quite unable to consume the surplus agricultural produce of the other three, particularly as regards wheat, cattle, pigs and dairy products. Further, the trade of the individual states with one other is far from being in equilibrium; and some of them are much more dependent than others on Danubian trade. Plainly, then, the breaking down of local barriers would entail hardships in many special cases, and further disputes would be likely to arise over the basis of the common front which the united region should present to the rest of the world.

Some of the difficulties are revealed in the following tables which give the percentages, in terms of value, for imports and exports for the comparatively normal years 1927–28.[5]

TABLE I. IMPORTS OF THE FIVE SUCCESSION STATES

Into Austria from		*Into Czechoslovakia from*		*Into Hungary from*		*Into Rumania from*		*Into Jugoslavia from*	
Germany	18%	Germany	23%	Czech.	23%	Germany	19%	Czech.	19%
Czech.	18	Austria	7	Germany	19	Austria	15	Austria	18
Hungary	9	Poland	6	Austria	17	Czech.	14	Germany	13
Poland	9	U. S. A.	6	Rumania	8	Italy	10	Italy	12
U. S. A.	6	Hungary	5	Jugoslavia	5	France	8	Hungary	6
Switzerl'd	5	Gr. Britain	4	Poland	4	Gr. Britain	8	Gr. Britain	6
Rumania	5	France	4	Switzerl'd	4	Poland	7	France	4
Jugoslavia	5	Rumania	3	Italy	4	Hungary	6	U. S. A.	4
Italy	4	Jugoslavia	3	U. S. A.	3	U. S. A.	3	Rumania	3
Gr. Britain	3	Switzerl'd	2	France	3	Switzerl'd	2	Poland	2
France	3	Italy	2	Gr. Britain	3			Switzerl'd	1

TABLE II. EXPORTS OF THE FIVE SUCCESSION STATES

From Austria into		*From Czechoslovakia into*		*From Hungary into*		*From Rumania into*		*From Jugoslavia into*	
Germany	18%	Germany	23%	Austria	34%	Germany	14%	Italy	25%
Czech.	12	Austria	15	Czech.	19	Austria	13	Austria	20
Hungary	9	Gr. Britain	7	Germany	13	Hungary	10	Germany	11
Italy	8	Hungary	7	Jugoslavia	6	Poland	9	Czech.	10
Jugoslavia	8	U. S. A.	5	Rumania	5	Czech.	7	Greece	9
Rumania	6	Jugoslavia	5	Switzerl'd	4	Gr. Britain	6	Hungary	8
Switzerl'd	6	Rumania	4	Italy	4	Italy	5	France	3
Poland	5	Poland	4	Gr. Britain	3	France	5	Switzerl'd	3
Gr. Britain	4	Switzerl'd	3	Poland	3	Jugoslavia	2	Rumania	1
U. S. A.	3	France	1	U. S. A.	1			Poland	1
France	2			France	1			Gr. Britain	1
								U. S. A.	1

[5] The tables give average figures for the two years 1927–28. Fractions are omitted. The tables are based on the League of Nations "Memorandum on International Trade and Balances of Payments, 1927–29," Vol. III (Geneva, 1931), supplemented by the statistical annuals of the various individual countries. Further details may be found in "Statische Grundlagen Innereuropäischer Handelspolitik," by Dr. Richard Riedl (Vienna: Walter Rothschild Verlag, 1932).

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When we study these tables we see in what different directions the various states are tugged. Particularly striking is the preponderant rôle played by Germany in the trade relations of Austria, Czechoslovakia, Rumania and Hungary. She sends the first three of these more goods than does any other nation, and in the case of Hungary she ranks second. As a consumer of their products she is of nearly equal importance. Only in the case of Jugoslavia does trade with Germany rank below that with another non-Danubian state: Italy is more important for Jugoslavia than is Germany. The tables reveal a variety of other interesting facts, but one or two will serve to show the difficulty of safeguarding individual interests in any common plan. Certain states, for example, are much more important to others as purveyors than as outlets for goods. Thus Czechoslovakia and Austria are vital as markets for Hungarian goods, but their exports to Hungary are not of first importance to them. Jugoslavia, on the other hand, has little to do with Hungary either in imports or exports; her regional trade is chiefly with the two industrialized states, Austria and Czechoslovakia; and a quarter of all her exports go to Italy.

Not only are the interests of the individual states in part different; in each there exist special interests which oppose whatever concessions might be necessary to reach agreement. As already mentioned, the governments of the three predominantly agricultural states have been subsidizing industries with the aim of producing a "balanced economy." These infant industries will fight tooth-and-nail against opening the doors to foreign industrial products (even to the extent of 10 percent tariff reductions) in exchange for concessions regarding agricultural exports. Important, too, is the peasant opposition in Czechoslovakia and Austria to any letting down of the barriers against agricultural products, for in many cases these can be produced in Rumania and Jugoslavia more cheaply than in Czechoslovakia and Austria and the agriculturists in the latter countries fear disastrous competition. The situation is particularly difficult for Dr. Beneš, as the government of which he is foreign minister depends on agrarian support to remain in power.

Now let us put into the record a table revealing to what degree the same five states of Danubia are individually dependent on trade *inter se*, in contrast with their trade abroad. (Like the foregoing tables, this shows percentages of value for the years 1927–28.)

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TABLE III. TRADE OF THE FIVE SUCCESSION STATES WITHIN THE DANUBIAN AREA

Imports		*Exports*	
Hungary	53	Hungary	64
Jugoslavia	46	Jugoslavia	39
Austria	37	Austria	35
Rumania	33	Rumania	33
Czechoslovakia	18	Czechoslovakia	31

To Hungary and Jugoslavia, evidently, the regional trade of Danubia is enormously important; and to Austria and Rumania only slightly less so. But this is much less true in the case of Czechoslovakia; in fact, she imports more from Germany (23 percent) than she does from the other four Succession States put together (18 percent). Here is a cleavage of interest between four of the Danubian states, who are their own best customers, and Czechoslovakia (the soundest of the lot economically and financially), who has built up a flourishing trade far afield and who thus has strong commercial reasons for demanding, first, that no Great Power secure special favors in Danubia, and second, that no agreement be reached without the consent of all the Great Powers.[6]

Let us now complete the picture by adding a table showing what percentage of the trade of certain other countries is supplied by the Danubian states:

TABLE IV. TRADE OF OTHER STATES WITH THE FIVE SUCCESSION STATES

Imports		*Exports*	
Bulgaria	27	Poland	28
Greece	18	Bulgaria	24
Poland	16	Germany	12
Italy	9	Italy	9
Germany	8	France	7
Great Britain	1	Greece	5
France	1	Great Britain	1

Here the most surprising revelation is that the trade of France and Great Britain with these five states, in which Paris and London have taken such deep financial and political interest, is so small. France sends the Danube states only 7 percent of her total exports, and they supply her with only one percent of her total imports; Great Britain sends them only a little more than

[6] See the speech by Dr. Beneš before the Foreign Affairs Commissions of the Czechoslovak Parliament, March 22, 1932 ("Sources et Documents Tchécoslovaques, No. 17." Prague: "Orbis," 1932); also *Central European Observer* (Prague), March 11, 1932.

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one percent of her total exports, and they supply her with only one percent of her total imports. Contrast these figures with Germany's exports to Danubia, amounting to 12 percent of her total export trade, and her imports from Danubia, amounting to 8 percent of her total import trade. Further, contrast the small commercial interest of France and Great Britain in Danubia with their very considerable financial interest, as revealed by the following table of post-war loans and credits made in Paris and London to governments of Eastern Europe, and still outstanding.

TABLE V. POST-WAR FRENCH AND BRITISH LOANS AND CREDITS TO EAST EUROPEAN GOVERNMENTS [7]

French loans (in francs)			*British loans (in pounds sterling)*		
1923	Austria	124,437,000	1919–21	Jugoslavia	1,945,000
1924	Jugoslavia	263,300,000	1919–21	Poland	4,007,000
1924	Poland	216,300,000	1919–22	Rumania	2,101,000
1927	Poland	51,000,000	1919–23	Austria	8,825,000
1928	Bulgaria	129,125,000	1921	Poland	614,000
1929	Rumania	534,202,000	1922–24	Czechoslovakia	4,100,000
1931	Poland	300,000,000	1923	Austria	10,748,500
1931	Jugoslavia	676,000,000	1923–27	Rumania	1,613,700
1931	Rumania	575,000,000	1924	Hungary	6,422,600
1931	Hungary	354,000,000	1924	Greece	7,100,000
1931	Jugoslavia	250,000,000	1926	Bulgaria	1,700,000
1932	Czechoslovakia	600,000,000	1927	Poland	1,680,000
			1928	Bulgaria	1,500,000
		4,073,364,000	1928	Greece	3,360,000
			1928–31	Greece	5,931,700
			1929	Rumania	1,901,100
			1930	Austria	3,000,000
			1930	Hungary	1,000,000
			1931	Austria	3,000,000
					70,549,600

In other words, we may calculate that at present exchange rates France is owed about $160,700,000 by the governments of Eastern Europe, while Great Britain is owed about $259,000,000. In addition, of course, great sums of French and British capital have been invested in private enterprises. There is also the pre-war investment, which is still large even though it has been much written down.

[7] This table, while not assuming to be absolutely complete, nevertheless indicates the general magnitude of the obligations of East European governments incurred in France and Britain since the war and now outstanding. The figures have been corrected by the latest information procurable from government representatives in the United States and from various banking houses. Round figures have been used in some cases; and in figuring present exchange values no account has been taken of any possible repayments in gold. All Eastern Europe is included in this table because financially the whole area is apt to stand or fall together.

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We have now sufficiently indicated the clash of economic policy between some of the Danubian states, and we have shown that the interests of groups within states are discordant; enough has also been said to show how different are the predominant material interests of France and England — financial — from those of Germany and Italy — commercial. No wonder it has proved hard to arrange a trade when payment is to be made in such different coin. And certainly no trade will ever be arranged unless outside nations are far-sighted enough to sacrifice some immediate advantages in order to create a more prosperous area with greater buying power.

Overriding in importance all the material difficulties are the difficulties arising out of the fact that Europe is divided politically into two rival camps, with Great Britain hesitating on the outskirts. France tries to keep the Little Entente states within her orbit, Germany hopes to tempt or force them within hers, England would like to continue holding the balance.

A powerful section of German opinion favors postponing any decision; this school believes that a catastrophe is inevitable and necessary, and that amid the ruins of Central Europe the future German Reich, monarchist or republican, can build a new power on fairer terms of competition than prevail today. Those who hold these political views are reinforced by the domestic interests opposed to any lowering of tariff barriers. It is true that Germany is living today by means of her active trade balance, and it is also true that her exports are tending to diminish, so that she might be expected to welcome agreements which would restore prosperity in the Danubian basin and hence enable her to increase her sales there. But an entirely disproportionate amount of influence is exercised in all German tariff, tax and banking matters by the Farmer's Party, of which the landowners in East Prussia are the head and front. By tradition and conviction President Hindenburg is a staunch upholder of this group, and through him it has secured all sorts of favors. It is strongly protectionist, and for both practical and theoretical reasons it will resist any suggestion that the German export trade be shown any favors, especially if it scents in the offing a proposal that new outlets for German industries be bought at the prices of increased agricultural imports.

In France aims are mixed. Nobody would claim that French credits of recent years had been free from political considerations;

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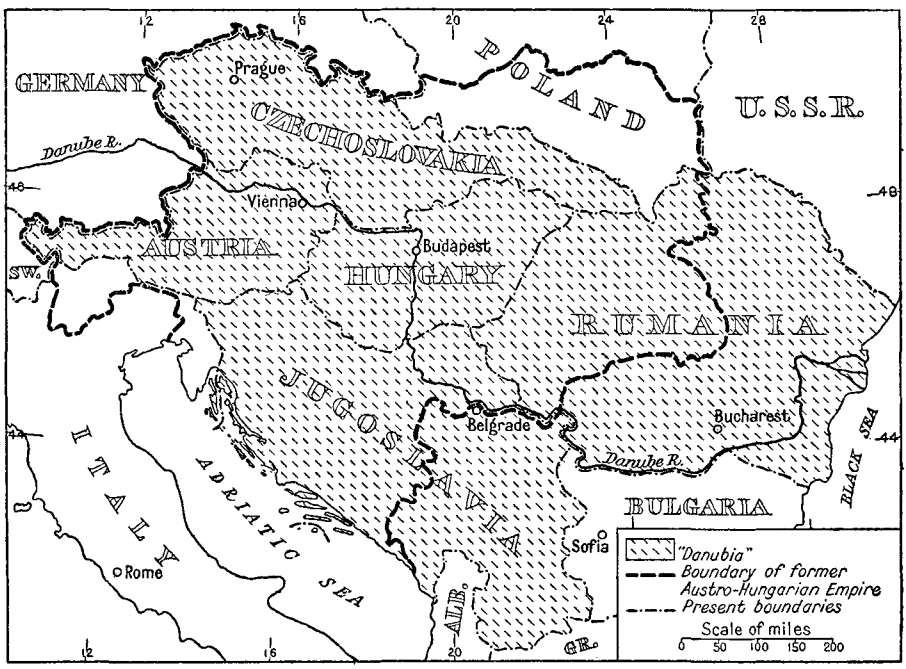
every franc was meant to play the rôle of an "iron man." But France realizes that the situation is deteriorating rapidly, and that a general crash looms up as a possibility. She is reluctant to lend more money, whether for political or economic objects, and she is much concerned about the fate of what she has already lent. She will give no more homœopathic subsidies simply to postpone the evil day.

Germany is perhaps wrong in thinking that she can wait with impunity for the time when France in desperation makes a better



offer. The lesson of the chain of events started by the Kredit Anstalt failure a year ago should have taught her that disaster in Vienna can touch Berlin very quickly. And this time social disaster is not excluded; for it must be recognized frankly that although communism is not an active force today in the Danubian states the impulse to seize land, repudiate debts, and in general start afresh is becoming dangerously strong. It is almost inconceivable that the present governments could survive another currency inflation. Second thought, then, may make the Germans more ready to compromise than they were in London in April.

But what shall the compromise be? Hardly what one high

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German official foretold to the writer — a Franco-German partnership in Central Europe, France supplying the capital and Germany the "experience" (he did not add the word "talent," but meant it). It is true that German business men have had long experience in dealing with Vienna — and Vienna is still the "door to the East." But the offer to contribute experience is not enough. The decision facing Germany is twofold. Does she or does she not intend to try and recreate *Mitteleuropa?* Supposing the answer is in the negative, does she want to act now to help restore the Danubian market for her goods, or delay until after there has been another crash? As already noted, a section of German opinion favors the second course. But it is arguable that Germany, if the prosperity of Danubia were restored, would stand to sell more goods there even if in the agricultural states her manufactures had to compete at a disadvantage with the manufactures of the industrial states. Before the war (1913) Germany sold to the 55,000,000 inhabitants of the Austro-Hungarian Empire 10.9 percent of all her exports, and took from them 7.7 percent of her total imports; the balance in her favor amounted to 277,300,000 gold marks. She enjoyed no privileges in Austria-Hungary beyond the equal treatment accorded her goods under the most-favored-nation clause. As for Italy, she in 1913 sent 8.80 percent of her exports to Austria-Hungary and in return took goods amounting to 7.26 percent of her total imports — not a bad business for a country always more of an importer than an exporter. The area of Danubia is not just the same as that of the Hapsburg Empire, and important industrial and agricultural developments have taken place since 1913. Nevertheless, is it unreasonable to suppose that today Germany and Italy, without any advantages except the most-favored-nation treatment implicit in the French plan, could trade with equal profit with the 62,000,000 inhabitants of Danubia? They did not need special privileges before. They still have the enormous advantages of geographical proximity and of experience.

At this point a word should perhaps be said about the attitude of Poland, whose exports to the five states of the Danubian bloc comprise over a quarter of her total exports, and whose imports from those states comprise about 15 percent of her imports. Poland has been satisfied with this favorable balance of trade, and on the whole thinks that an arrangement like that suggested by M. Tardieu would not harm her interests provided no outside

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Power secured special favors. The Polish press, indeed, has occasionally preened itself over the fact that the plan, by omitting Poland, implied a recognition of the soundness of Polish economy. On the other hand, the Pilsudski Government was not a little aggrieved by the recent French loan to Czechoslovakia, by recent measures to repatriate Polish workers who had immigrated into the industrial districts of Northern France, and by the failure of the Polish railways to secure further French funds for constructing the Gdynia railway.[6] If opposition to the formation of a Danubian bloc should develop in Poland it will be due to a desire to secure French concessions in the above matters in return for Polish acquiescence, or to fear that in the end Germany is likely to be granted some special favors. Should there be an "intermediate" preferential zone for Germany and Italy, then Poland is prepared to demand that she be included in it.

To the Danubian governments it must be said frankly that though the lowering of tariffs will entail immediate loss and suffering to certain groups of their citizens they have no choice but to accept the fact stoically and get through the subsequent readjustments as best they can. Prompt action will revive confidence in their good sense and good will, and will authorize them to expect the maximum financial help that the distraught money markets of the world are in a position to give. It may console them, too, to realize that unless they agree to coöperate they face complete ruin, not for one class or set of interests only, but for the entire population, to the accompaniment perhaps of uprisings which would transform the whole established social order. To the extent that industries in these small states are artificial they in any case face eventual extinction; and those farmers whom specialization and the adoption of modern methods do not equip for more or less free competition with their foreign rivals will have to discover other ways to subsist. Governments will find it painful and unpopular to accept these facts, but a refusal to do so will not alter the result, it will merely aggravate its unpleasantness.

Conditions in Danubia will not stand still, either while the small states haggle or while the German Government pursues the individualistic policy by which it hopes to avoid coming to grips with agrarian opposition at home and to prevent the creation of a constellation of states which would block the road of future

[6] See *Frankfurter Zeitung*, April 28, 1932.

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expansion towards the south and east. France is in a position to offer concessions to soften the distrust which Germany feels for any proposal emanating from Paris. The discussion over both armaments and reparations is at a most critical stage, when decisions cannot be long postponed. If to the advantages which a large section of German business life would find in coöperation with the Danubian countries could be added a political prize to offset the seeming abandonment of the *Anschluss* project, then Germany might be brought into line. She must know, too, that London is quietly debating the future of the most-favored-nation clause, and that after the Ottawa Conference Britain may be found siding with France in working towards its abolition. She is running a risk, then, of "outstaying her market."

As to Italy, might she not employ this occasion to secure a favorable solution of questions which Rome and Paris have been debating fruitlessly for months and years? Would not a settlement of the status of Italians in Tunisia and of the frontiers of Libya (not to touch the outstanding dispute over naval parity) offer Italy more than enough compensation for acquiescence in a plan which in any event might well prove more beneficial than harmful to Italian commerce? Further, would she not rather see Austria coöperate with her small neighbors than face the possibility that some day she will unite with Germany and bring the German frontiers to within fifty miles of the Adriatic?

The United States Government is not likely to favor the German and Italian desire for preferential treatment. Washington made no declaration regarding the Tardieu plan, but its opinion must be fairly plain. It will not protest the abrogation of most-favored-nation treatment as regards the mutual trade relations of the Danubian states. But it could not view with equanimity any outside state's demand for special favors; it would demand that equal treatment be accorded American commerce. At the same time, if the Danubian states were able to produce a promising scheme, and if Germany or Italy could demonstrate a need for some sort of special treatment as regards specified commodities (possibly a quota arrangement), and if other Powers like France and England acquiesced "for the general good," then it is conceivable that Washington's protest would not be strenuous or persistent.

Whether or not a plan is worked out will depend in no small measure on England's activity in encouraging (and helping)

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France to go as far as she can, in pressing Germany and Italy to come half way to meet her, and in establishing all-round confidence that in dealing with the serious task which lies to hand impartial pressure will be put on all concerned to show farsightedness and self-abnegation. There is no need to recall Britain's enormous interest in quickly releasing some of the brakes now clamped on the wheels of European business. Her influence, if she once made up her mind to use it, might well be decisive, particularly in the case of Italy. Thus although the circle in which the destinies of Danubia are revolving seems ironclad, some way of breaking it may yet be found. The prod of hungry and angry people is being felt strongly in their homelands, and the echoes of their threats are heard in the world capitals. Will the response come promptly enough to forestall blows which will send the whole continent reeling?

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THE PERMANENT BASES OF CANADIAN FOREIGN POLICY

By F. R. Scott

WITH the passage of the Statute of Westminster by the London Parliament last December the era of the development of dominion autonomy was brought to a successful conclusion. Canada, Australia, New Zealand, South Africa, the Irish Free State and Newfoundland are now completely self-governing countries, having travelled — in a period of time very short in the life of states — the whole distance from colonies controlled direct from London to equal partners in a free association of nations. No further constitutional changes of fundamental importance may be expected in the future, for there are now no legal or political restrictions left to be removed; even the abolition of the oath of allegiance, if not accompanied by a definite act of secession, would leave the Crown as a symbol of unity and the formal head of every dominion government; and secession itself would alter the area rather than the nature of the Commonwealth.

At this beginning of the New Empire it is worth examining in some detail the international position of the senior and most important dominion, the Dominion of Canada. What factors determine her relations with the outside world, and how are these relations affected by membership in the British Empire? These questions are of particular interest in view of the Imperial Economic Conference scheduled to be held at Ottawa in July, where Canada, as the largest, the most populous, and industrially the most advanced of the dominions, is bound to play a leading part.

Canada, it must be remembered, is a North American federal state, whose population is approximately 58 percent of British origin, 27 percent of French origin, and the rest of mixed descent, mostly European. She is a member of the League of Nations as well as of the British Commonwealth. Before the present depression began, she ranked fifth amongst the countries of the world in absolute volume of foreign trade and second in per capita volume. From such data the study of her international situation must start; the inquiry, indeed, will largely be an analysis of the details and implications of these fundamental facts.

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It will be convenient to deal first with those problems which arise from Canada's geographical position in North America. Here a striking fact is that her Arctic frontier has not yet received international recognition. There is a vast area of some half million square miles lying between the 141st meridian of longitude on the west, the Canadian mainland on the south, and the 60th meridian and Kennedy Channel on the east, up to the North Pole. Within this territory the Canadian Government maintains a number of permanently occupied posts, but scarcely enough to establish the effective occupation required by international law as a test of sovereignty. The entire area, however, including lands to be discovered as well as those already known, is claimed by Canada in virtue of a convenient doctrine called the "sector principle," according to which all states bordering on the Arctic are supposed to own the lands within the sector created by extending their eastern and western frontiers to the Pole. The principle, while favored by some other northern states, has not been generally admitted, and Norway expressly refused to accept it when recognizing Canada's sovereignty over the Sverdrup Islands in August 1930. At the present moment the fixing of these boundaries is not a live issue, but it would be foolish to deny its potential importance. More will be heard of Canada's Arctic claims if and when the northern air routes come to be developed. The MacMillan expedition of 1924 made this clear.

On the east and west — outside of the Arctic area — Canada's frontiers are settled, as a result of the Alaskan Boundary Award of 1903 and the Labrador decision of the Privy Council in 1927. It is noteworthy that on both sides Canada is contiguous with another Power; the Dominion not only stretches "from sea to sea," as every Canadian schoolboy is taught, but also from the United States to Newfoundland. Population along these frontiers is so sparse, however, that for all practical purposes the United States is Canada's only neighbor. Nevertheless, as a state bordering on the Pacific, Canada is interested in the whole question of Pacific relations, and is a signatory of the Nine Power Treaty guaranteeing the political integrity of China.

On the south Canada is separated for some three thousand miles by a "mere tariff" from one of the most powerful states in the world. To the great satisfaction of the purveyors of international good will this frontier is unfortified. Whether the conclusions drawn from this happy situation are consistent with the fact that

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defense would be for Canada impossible, and for the United States superfluous, need not be decided. What matters is that history and geography have combined to place Canada in such a position *vis-à-vis* the United States that no weapons save moral ones are of any use in the last resort to protect Canadian independence. The Fathers of the Canadian Confederation believed that the union of the British North American colonies would create a country capable of self-defense even as against the United States, but they could not foresee the size of the American colossus nor the slowness of Canadian growth. The tradition of friendly intercourse between the two countries is now so strong that it is almost impossible to conceive its being broken. Nevertheless, the necessity for Canada to maintain these good relations is obvious, and this of itself determines Canadian foreign policy more than any other single factor — more even than her membership in the British Commonwealth. And if any lesson is to be learned from the history of other nations situated close to the United States, it is that Canada cannot with safety do anything to imperil or destroy American investments within her borders. If the Dominion Parliament, to take a conceivable case, were to embark upon a policy of progressive socialization of Canada's natural resources, many of which are now being exploited by American capital, it is certain that the opposition of private interests affected would create an extremely delicate situation. Mexico's experience in 1917 is an example and a warning.

As an American state Canada enjoys the protection of the Monroe Doctrine. No one, American statesmen not excepted, knows exactly what that protection means, but the Doctrine is probably sufficiently clear to exclude from practical Canadian politics the likelihood of an invasion by the army of a non-American state. That this is no slight advantage to Canada is evidenced by the smallness of her military establishment. The existence of the Monroe Doctrine, like the existence of the St. Lawrence River, is an objective fact that must necessarily be taken into consideration in determining Canada's defense needs. On the other hand, it is somewhat of an exaggeration to say, as many do, that Canada is shirking her responsibilities as a nation in thus hiding behind the American Navy; it is most unlikely that the Dominion's expenditure on armaments would be increased one dollar by a sudden abandonment of the Monroe Doctrine by the United States. Precisely the same may be said of Canadian

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reliance upon the British Navy; Canadians do not feel that it is maintained, or need be maintained, for them. Canada has no traditional enemies, and potential ones are hard to find. At bottom this feeling determines the public's attitude far more than the belief that the United States or Great Britain may possibly be Canada's ally in the event of an invasion. The Scandinavian example in disarmament is one that Canadians think they may safely follow.

The St. Lawrence and Great Lakes waterways system is a further geographical factor which affects Canada's international relations. From the point of view of navigation, the St. Lawrence throughout its entire length belongs as much to the United States as to Canada. The right of free navigation and equal treatment forever was accorded American vessels by the Treaties of 1871 and 1909. It extends not only to the river itself, but also to all existing and future canals connecting boundary waters on either side, so that Canada cannot build new canals solely for the benefit of her own ships. Furthermore, all questions relating to boundary waters are of mutual concern, and come within the jurisdiction of the Joint Commission established in 1909. The St. Lawrence is thus to some degree an international river, and Canada, quite apart from her treaty obligations to the United States, is subject to all the rights and duties of riparian states as recognized by international law. The development of the waterways system for power and navigation purposes will leave this position unaltered, though doubtless many more questions will arise for joint settlement.

Finally it may be noted that geography makes Canada eligible for membership in the Pan-American Union. So far no political party in Canada has advocated her occupying the empty chair at Washington, despite the fact that the South American members are most anxious for her to join in order that they may have, as they expect, another ally in their endeavor to withstand the dominating influence of the United States. The reasons for Canada's aloofness are probably to be sought not so much in the fear of this influence as in the lack of any positive advantage to be gained by joining. Indeed, there might be grave disadvantages, since Canada would be forced into taking sides in disputes between the United States and the Latin American republics, and thus in making enemies of one or the other. A section of opinion in the United States appears to take the view that Canada's

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membership in the British Commonwealth disentitles her to pose as an American Power, but this objection can hardly carry much weight with Canadians, who are already separate members of the League of Nations and quite accustomed to attending international conferences in an independent capacity.

Leaving now the problems created by geography, and turning to those resulting from political affiliations, we note the significant fact that Canada is a member both of the British Commonwealth of Nations and the League of Nations. Her membership in the Commonwealth creates for her a somewhat anomalous position *vis-à-vis* the rest of the world. Within their own borders Canadians are as completely free to make laws as any people.[1] And yet in the family of nations Canada is not wholly sovereign, since from the point of view of international law she does not quite possess a full personality. She is sufficiently a person to be able to make separate trade and political treaties of an ordinary nature, but not to make separate peace or war, which remain a part of the royal prerogative exercisable only on the advice of the British Government. The possession of the general treaty-making power is so much the more valuable in their everyday affairs that Canadians are apt to consider it the only important aspect of their external relations, and to relegate all discussion of the separate war problem to the realm of academic speculation. In this they are partially justified, since Canada has sufficient control even over her international affairs to meet the ordinary requirements of her national life. She may make such separate treaties as she desires, apart from matters of peace and war, subject only to the conditions agreed upon at recent Imperial Conferences that no treaty affecting any other part of the Commonwealth will be made by a member without previous consultation with that part, and no treaty actually binding another member will be made without its positive assent. If these conditions are fulfilled, constitutional practice makes the ratification of Canadian treaties in London purely a matter of form.

Despite the unconcern of the Canadian public over the question of separate war, however, the legal fact that the British Commonwealth can only be at peace or at war as a whole is of the greatest importance in determining Canadian foreign policy.

[1] The single exception of laws affecting English Trustee securities governed by the Colonial Stock Act, 1900, which are still subject to disallowance from London, need only be mentioned to be dismissed. By Canadian request, amendments to the Canadian Constitution will continue to be made by the British Parliament until a new method is agreed upon by Canada.

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The enemies of any one part of the Commonwealth are by law the enemies of all parts. A skirmish on the Afghan frontier, the rebellion of a native tribe in East Africa, an Arab-Jew riot at the Wailing Wall — and the Canadian is astonished to find himself implicated by a rule of international law which considers him a subject of the King whose government, or one of whose governments, is responsible for the suppression of the disturbance. It is true that within the Commonwealth there is an express understanding that each Dominion is at liberty to decide for itself how far it chooses to participate in hostilities begun by a fellow member. Seen from the inside, the British Commonwealth is thus clearly not an offensive and defensive alliance, and if an enemy chose to respect Canadian citizens and Canadian property when fighting against, for example, Great Britain, it is conceivable that Canada might preserve a state of *de facto* neutrality — or perhaps it might be more accurately described as a state of neutral belligerency. The mere fact, however, of the realization that Canada was legally at war would give almost irresistible weight to the cry of that ultra-imperialist party within Canada which desires to stand by the mother country in every struggle no matter what its cause. This is where the divisions of race and sentiment in the mixed Canadian population become an important factor influencing Canada's external relations.

The imperialist group in Canada comprises a very considerable portion of all Canadians of British origin; it is especially strong and vociferous, of course, amongst politicians and public figures of British extraction. It would keep the Empire (it does not like or understand the new term "Commonwealth") united at all costs. To the French-Canadians, on the other hand, as to the bulk of the foreign immigrants, British Imperialism is simply the British form of imperialism; they are grateful for such liberty as they are allowed in Canada, and would defend Canada from invasion, but no more desire to fight British wars than English-Canadians do to fight French wars. Thus far in Canadian history the imperialists have had it all their own way when it came to a question of actual fighting. Canada has never yet refused to come to the aid of Great Britain, not even in such a questionable cause as the Boer War of 1899. To do so would undoubtedly create a serious rift between imperialists and nationalists within the country. Yet the fact that 42 percent of Canada's population is of non-British origin makes participation in such a struggle the

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occasion of great social strain. Abundant evidence of this can be found in the relations between French and English Canadians during and after the Boer War and the World War. The Imperial connection, therefore, will always be the cause of domestic difficulties in Canada in so far as it confronts her government with a decision of assisting or not assisting Great Britain on any *casus belli* that does not directly threaten Canadian soil. There seems no remedy for this situation save by the elimination of everything that can be looked upon as a "British" war. For this reason Canadian national unity will be greatly strengthened by the work which the League of Nations is doing, and by the decline of jingoist imperialism. The latter movement is proceeding very favorably in Canada; in particular there is a younger generation of English Canadians growing up which has gone far toward meeting the French Canadian viewpoint, and which looks upon the Commonwealth as good only in so far as it provides Canada with opportunities of peaceful international coöperation.

Canada, then, as a member of the British Commonwealth has slightly less control over her foreign affairs than she would have as an independent state. It is still true to say, in the words of one of the more realistic phrases of the 1926 Imperial Conference Report, that "the principles of equality and similarity, appropriate to status, do not universally extend to function." Great Britain, though by definition of equal status with her dominions, is in fact superior in function, and because of her predominant position in the Commonwealth and the world frequently has had to make alone decisions on international matters which directly or indirectly affect Canada in common with the other dominions. Thus the negotiations concerning the Treaty of Lausanne in 1923, the recognition of the Soviet Union in 1924, and the Locarno agreement of 1925, were all carried through without dominion consultation. Even the question of the status of India, which may result in the creation of a new dominion of full rank, is being settled by Great Britain and India alone as if the other dominions were in no way concerned.

The fact is that the dominions are not yet anxious to push the doctrine of equal status to its logical conclusions. Logic would bring added responsibilities; therefore let there be no logic. The Commonwealth has not troubled even to create effective machinery for securing coördinate action on foreign affairs. It is assumed that every situation can best be dealt with by ordinary diplomatic

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methods. The usual channels of communication as between Canada and Great Britain are through the Dominion Department of External Affairs and the Dominions Office in London; alternatively the Canadian High Commissioner in London may be instructed by Ottawa to present the views of the Canadian Government to the British Government; on very important and pressing matters Premier may talk to Premier over the long distance telephone. These methods, it will be noted, make communication between Ottawa and London no simpler than communication between Ottawa and Washington. At the Imperial Conference general lines of policy are discussed and views are freely exchanged, but the Conference meets irregularly and has no proper and permanent secretariat, so that in the intervals between the sessions the members of the Commonwealth are scarcely in closer contact than so many independent countries.

While the existence of the Commonwealth thus creates a rather anomalous position for Canada in the family of nations, it undoubtedly confers upon her certain very definite advantages. It has forced Canada into the world arena and thus prevented her from becoming what she would otherwise have become, an isolated, provincial-minded and exclusively North American state. It has broadened the outlook of her people and taught them to some extent to think in world terms. It has given her, as member of a most powerful political unit, more international prestige and influence than would be accorded herself alone. In particular it affords to Canadian citizens the free use of a fully developed diplomatic and consular service. Wherever Canadians choose to travel or trade they find at their disposal the protection and help of British Foreign Office officials, and by virtue of the common British nationality foreign states are bound to accord the Canadian and his property the same consideration that they accord the Englishman. All this is done at no cost to the Canadian taxpayer, whose own foreign service, consisting of legations at Washington, Paris and Tokio, is woefully inadequate for the protection which his extensive foreign trade requires. Canadian trade commissioners are stationed in many parts of the world, but they have no diplomatic status and therefore no direct access to foreign governments. Great Britain at the 1930 Imperial Conference made a further concession for the benefit of the dominions. It was agreed that in future it would be possible for dominion governments to negotiate directly with foreign governments through

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the medium of the resident British Ambassador or Minister, without the necessity of communication via London, wherever the matter under discussion is not one "of general political concern." Trade treaties exclusively affecting a dominion and a foreign Power are by definition excluded from the latter category. That is to say, the British representative becomes a Canadian representative when the negotiations are of purely Canadian concern. In cases where the matter affects also Great Britain or the rest of the Commonwealth it is understood that advice from London will be sought by the British official before the request of the dominion is carried out.

Besides being a member of the Commonwealth, Canada is a member of the League of Nations. She thus stands officially for that type of internationalism which the League promotes. She agrees to coöperate in its various activities, to settle disputes by arbitration rather than by war, to abide by League decisions as to the sanctions to be applied to unruly fellow-members. In a hypothetical case, if Japan were to go to war contrary to her undertakings as a member of the League, in such a way as to involve the application of Article XVI of the Covenant, Canada might be asked to sever all economic and financial relations with her, and to stop all trade between Canadian nationals and Japanese nationals. As the total value of the Canadian-Japanese trade for 1930 amounted to some $33,000,000, such a severance would place a strain on the Canadian conscience somewhat greater than that resulting from the existence of a communist government and forced labor in Russia which was the official reason for the Canadian embargo upon Soviet products of March 1931. Fortunately no occasion has yet arisen to test how far the Canadian people would sacrifice their pecuniary interest to preserve international peace. Certainly in so far as mere signatures can make her, Canada is fully committed to the principle of arbitration. She is a member of the World Court, a signatory of the Optional Clause for the settlement of justiciable disputes, and in June 1931 she gave notice of her accession to all four chapters of the General Act for Pacific Settlement of International Disputes, with the reservations permitted by the Act. In addition she adheres to the Briand-Kellogg Pact. It is important to note, however, that inter-Commonwealth disputes are excepted from the operation of the League machinery, being left for settlement to the optional, *ad hoc* tribunal suggested by the 1930 Imperial Conference, while

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Canada's relations with non-members of the League, and with members who are non-signatories of the arbitral conventions, remain governed by the usual diplomatic methods. For example, since the lapsing of the British Arbitration Treaty of 1914 with the United States, Canada has had no specific arrangement for the obligatory arbitration of all disputes with that country, although she shares in the good will promises of the Pact of Paris and must refer boundary-water questions to the Joint Commission. No doubt the optional power of the latter body to hear any dispute referred to it would be employed if the necessity arose, but there is a gap here that might well be filled by an all-in arbitration treaty.

At the League meetings Canada acts almost entirely as a sovereign state. Her membership in the Commonwealth does not prevent her from voting on most League matters as she sees fit, and votes contrary to those of the British delegates are not infrequent. The Canadian delegation receives instructions as to its action from Ottawa and not from London. It is customary, however, for the various dominions to consult together upon the major League issues in an endeavor to reach a common agreement first, and it is understood that in the last resort no dominion will destroy the constitutional unity of the Commonwealth by independent action incompatible with that unity. Canada would not be obliged to resort to coercive measures against another member of the Commonwealth, and neither Article X nor Article XVI can be read as giving the dominions a separate right of war, since this is an impossibility according to the constitutional law to which they are subject. To this extent, but to this extent only, Canada belongs to a British bloc at Geneva.

Thus far the implications arising from Canada's geographical position and from her political affiliations have alone been considered. It remains to discuss the chief consequences of her very important rank in the world of international trade. These economic relations will, of course, be determining factors at the Ottawa Conference this summer. As already stated, in the year 1929 Canada had the second largest per capita export trade of any country, and ranked fifth in absolute volume of goods exported. That is to say, Canadians were very largely dependent for their prosperity upon the continued willingness and ability of other peoples to buy the goods they produce.

This dependence upon foreign trade has been a characteristic

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of Canada's economic life ever since her earliest days as a colony. Under the French régime the principal commodities exported were furs and fish; lumber and wheat were developed during the early period of English economic control. The repeal of the Corn Laws by Great Britain in 1846, which brought relief to the English working classes, brought Canada to the verge of ruin and drove her into reciprocity — and almost political union — with the United States. When England allowed Canada to become self-governing in economic matters the line of development previously laid down was not departed from. Canada continued to be a world trader even when she became a manufacturer, for the natural resources of the country were so rich that to have exploited them solely for the benefit of the home market would have restricted the pace of economic growth in a way the industrialists could hardly have been expected to accept. Under modern methods of production Canada has been able to push this industrialism to a point where she is the competitor of Great Powers. As each new factory sprang up, whether built by Canadian or American capital, the Canadian public accepted it as proof of economic growth and stability, without realizing that it usually meant increased dependence upon world conditions. The result is that Canadian trade figures show a startling difference between total production and home consumption. Eighty percent of the western wheatfields must go out of production if Canada is to consume her annual crop of wheat — and wheat raising until recently has been Canada's major industry. An analysis of fourteen leading Canadian products for the year 1929, covering the items of wheat, flour, fish, copper, gold, nickel, lead, asbestos, silver, zinc, paper, wood pulp, motor cars and beverages, shows internal consumption of only 37 percent, the remaining 63 percent being sold abroad. In that year 33 percent of Canada's total production of every kind was exported. This is a very different situation from that existing in the United States, where the export trade has absorbed only some 10 percent of production. The necessity of marketing this great surplus of commodities must always be the principal concern of Canadian foreign policy.

Not only is Canada's foreign trade a very large percentage of her total trade, but it is also spread among foreign countries with complete disregard of her political and sentimental affiliations. From the time when she first achieved economic self-government, Canada has followed what she has thought to be to

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her own economic self-interest first and has given second place to the needs of Empire solidarity. Despite the British preferences and trade treaties with other dominions and colonies, Canada has been growing steadily more independent of the Empire in matters of trade. Exports to Great Britain, for example, have declined from 54 percent of her total exports in 1906 to 25 percent in 1930, and imports from 24 percent to 15 percent in the same period. Today some 76 percent of Canada's imports come from, and 64 percent of her exports go to, non-British countries. Her major economic interests lie, naturally enough, with the United States. Fifty-five percent of Canada's foreign trade and 60 percent of her foreign investments are with her southern neighbor, while on the other side of the picture the United States has looked upon Canada (until recent tariff changes) as her "best customer," and has placed some 25 percent of her total foreign investment there. In 1930, of $6,125,000,000 of foreign capital in Canada, it was estimated that $3,727,000,000 was American and only $2,228,000,000 British, the latter figure being somewhat less than British investments in Argentina. With foreign countries other than the United States Canada has of late become heavily involved commercially; in 1914 they took only 7 percent of her exports, but in 1929 nearly 25 percent.

These statistics suggest some of the hard facts with which the Ottawa Conference will start. It would be foolish to deny that British sentiment in Canada is still powerful enough to influence in some degree the direction of Canadian trade, and if the patriotic note is played adroitly at Ottawa it may persuade many Canadians to attempt to reverse the trend of recent years and to build up again the imperial commercial unity that has gone. If it can be assumed, however, that the Canadian manufacturer has hitherto sought out and found the most profitable markets for his goods, it is clear that the effort to force the flow of Canadian trade from its existing channels into new imperial ones will call for costly as well as elaborate readjustment. Mr. Bennett's unwillingness to make that readjustment caused the failure of the 1930 Imperial Conference in London. Since then continued depression and the possibility of British tariff retaliation have somewhat lowered the resistance of the vested interests in Canada which would be called upon to make the sacrifices, but it remains to be seen how far they can with profit abandon their present economic affiliations.

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What is the constitutional machinery with which Canada, a federal state, conducts these extensive foreign and imperial relations? The prime responsibility technically rests with the "Governor-General in Council," but actually — as in all British practice — with the Cabinet. It is the custom in Canada for the Premier to act as head of the Department of External Affairs; it has not yet been considered necessary to appoint a special minister to the post. This department carries on the usual duties of a foreign office or department of state, and looks after the Canadian legations in Washington, Paris and Tokio. For the negotiation of treaties and conventions the practice varies. If it is to be a formal treaty between His Majesty on behalf of Canada and a foreign state, it is usual for a grant of full powers to be issued from London by the King to the Canadian representative on advice from Canada. After signature and submission to the Canadian Parliament, the treaty will be ratified by His Majesty, again on advice from Canada. The fact that credentials and ratification must still be sought in London is a mere survival of traditional form, and leaves Canada as free to control her foreign relations as the Irish Free State, for example, to whose governor a portion of the royal prerogative in foreign affairs has actually been delegated. If it is a convention or mere agreement between governments that is being negotiated the Canadian representative will receive instructions from Ottawa only and ratification will be given by the Canadian Governor-General in Council. In such a case no use need be made of the London machinery at all. Canadian delegates to Geneva are instructed in this way, and numerous Canadian conventions are so ratified.

Some treaties and conventions need legislation by the parliaments of the contracting Powers in order to give effect to their provisions. There has been much uncertainty amongst Canadian judges and constitutional lawyers as to which parliaments in Canada — the Dominion or the provincial — possess this legislative capacity. The matter is not settled expressly by the British North America Act, which is the statutory basis of Canadian federalism. Section 132 of the Act declares that "The Parliament and Government of Canada shall have all Powers necessary or proper for performing the Obligations of Canada or of any Province thereof, as Part of the British Empire, towards Foreign Countries arising under Treaties between the Empire and such Foreign Countries." It will be noticed that the legislative

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capacity conferred by this section upon the Dominion Parliament relates only to matters covered by treaties "between the Empire" and foreign countries. The questions that have arisen are: What is an "Empire Treaty?" Does the whole British Empire have to be a party, or does the term include treaties which His Majesty signs on behalf of Canada alone; and, in particular, does it also include conventions and agreements ratified in Ottawa without the use of the royal signature at all?

The questions are of the utmost practical importance. The Canadian provinces, like the American states, have certain spheres of activity reserved to them. In this provincial sphere fall such matters as the regulation of hours of labor and social legislation generally. If the Dominion Parliament has not been granted full authority by the Canadian Constitution to make laws giving effect to all Canadian treaties and conventions, and if it follows as a consequence that the Canadian provinces cannot have their sphere of legislative activity invaded by such Dominion laws, the result will be to prevent the Dominion from entering into and putting into force any international arrangement which is not part of an "Empire treaty," and which affects provincial matters in some degree. Canada would become, for many international purposes, nine states instead of one. The Dominion Government might adhere to the convention but the provincial governments might have it in their discretion to give effect to the convention or not. This is precisely what has happened to many conventions issued under the auspices of the International Labor Office. The Dominion has agreed to them, referred them to the Provinces — and there they have died.

In two very recent judgments, in which was discussed the jurisdiction of the Dominion in regard to Aviation and Radio Broadcasting, the Judicial Committee of the Privy Council has thrown much light upon the problem of treaty legislation. In the Aviation case the treaty in question was the international Convention relating to the Regulation of Aërial Navigation of 1919, which was ratified by His Majesty on behalf of the whole Empire in 1922. This was clearly an Empire treaty within the meaning of Section 132 of the B. N. A. Act, and was so held, and Dominion legislation passed to give effect to it was consequently validated. In the Radio case, the convention discussed (the International Radiotelegraph Convention of 1927) was of a different order: it was not a treaty signed by His Majesty on behalf of the Domin-

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ion of Canada, but simply an agreement signed by Canadian representatives instructed from Ottawa. Despite this difference, and while admitting that "the Convention was not such a treaty as is defined in section 132," their Lordships considered that "it comes to the same thing," and that the Dominion Parliament therefore had full power to pass the legislation necessary to carry out its terms. It seems, therefore, that Canada, despite the federal nature of her constitution and without the formalities of a full Empire treaty, is able to attend international conferences and to make any agreements with foreign Powers that she desires, with the assurance that she will be able to give legislative effect to the agreement without calling in the aid of the provincial parliaments. If this is the effect of the Radio judgment, it will constitute a landmark in the development of the Canadian Constitution.

The various geographical, political, racial and economic factors discussed above are the most important and the most permanent influences in determining Canada's international position. They constitute the environment from which her foreign policy must grow. Much that to the foreigner may appear obscure in the attitude of Canada toward international and imperial affairs will be understood only if the words and actions of Canadian politicians are viewed in the light of these fundamental considerations. And this survey will have been in vain if it has failed to make clear that the association of Canada with the other members of the British Commonwealth is but one aspect of her international relations, and by no means the one that is necessarily uppermost in the mind of the Canadian who faces the problems of his country and of the world.

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THE CRISIS IN GERMAN AGRICULTURE

By Karl Brandt

GERMANY is an industrial state. Paradoxically, however, the agrarian problem today not only occupies the center of the economic stage, but is also the focus in which party politics converge. In France, where half the people live on the land, serious or acute agrarian problems are seldom heard of, and the discussion of agrarian questions is usually relegated to doctoral dissertations. In Germany, on the other hand, the clash of opinions among all classes of the population — whether between those counseling business planning and those defending *laissez faire*, or between the protagonists of economic self-sufficiency and the advocates of international commerce — invariably and immediately assumes the form of discussions about food production and the agrarian structure.

Even during the prosperous years from 1926 to 1929 general attention was aroused by the fact that in certain parts of eastern Germany agriculture had ceased to be profitable; and comprehensive measures were adopted to assist the agricultural concerns in question and transfer to public account the losses which they had already suffered. After the economic depression had begun to make itself felt this system of agrarian aid was considerably expanded. A few months after the bank crash of July 13, 1931, the German Government issued an emergency decree for the protection of agricultural enterprises in the eastern provinces, a measure which was fraught with tremendous consequences for the country's entire economic structure and credit arrangements. It established a moratorium and system of debt cancellation for agricultural concerns encumbered or overwhelmed with debts, and provided a government guarantee so that they might continue to operate. At the present time it is not too much to say that all the important movements and changes at work in the general orientation of German political economy revolve around the agrarian problem, specifically the work of resettlement and rural development.

A critical observer, especially one from abroad, cannot help asking how it is that a nation so largely devoted to industrial pursuits should, in its efforts to overcome the economic crisis, put the agrarian question at the very center of all its delibera-

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tions and decisions. If we want to understand this question and find its answer we must above all bear in mind that about 37 percent of the German people still engage in farming or derive their subsistence from it, and further that the industries are largely concentrated in certain parts of the country — along the Rhine and in the Ruhr, in Württemberg, in Saxony, in and about Berlin, and in the parts of Upper Silesia which still belong to the Reich. Industry plays a much less important part in the east than in the west, where even outside the purely industrial districts one finds industries scattered almost everywhere. Moreover, the 65 millions who inhabit Germany are confined within comparatively narrow limits, especially from the American point of view. In addition, in most parts of the country the soil is of a quality which agricultural experts in America are accustomed to describe as "submarginal." Nevertheless, and notwithstanding low protective duties, up to the war the German agriculturists cultivated this land — thanks to a highly developed agrarian technique — with conspicuous success in open competition with the rest of the world. In those days the agriculturists were large consumers and constituted a prosperous section of the national economic structure, as continuously rising land and leasehold values demonstrated. The highest land prices were to be found along the western frontier and in southern Germany; the lowest along the eastern frontier. In Germany, altogether unlike America in this respect, agriculture is based on the principle of high profits per man hour. Labor is cheap in Germany, whereas land is dear. That is the reason why German agriculture relies on a highly developed technique of plant cultivation, on natural and artificial fertilizers, on intensive deep tillage, and on the combination of plant cultivation with stock farming, rather than on the employment of labor-saving machines.

Conspicuous differences exist in the way large and small farms are distributed over the various regions of Germany. In all, there are about 3 million small farms of more than 5 and less than 250 acres of tillable soil, and about 2 million farms of less than 5 acres; large agricultural concerns comprising more than 250 acres, and averaging about 1250–1500 acres, number about 17,000. Of the latter about 12,000 are to be found mainly in eastern Germany, with the rest principally in the Prussian province of Saxony. A number of large agricultural estates, however, are also to be found in the west and south, scattered among the small

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farms predominating there. The principal difference between the large estates and the small farms is that on the former the landowner himself does not work, the actual work being done under his supervision by landless laborers, whereas on the small farms the labor is provided by the members of the farmer's own family. On the large estates the number of workers is small in comparison to the area these occupy, and the same also is true of the numbers of farm stock they use. Usually, then, they go in for large-scale cultivation, that is for cereal crops. In the field of intensive cultivation there is only one root-crop in which they excel, namely sugar-beets. The small farmers keep a much larger number of animals per acre and therefore they also have more stable manure. The goods marketed by them are mainly finished products such as milk, eggs, meat, vegetables and fruits.

Western Germany as far as the River Elbe, that is to a line extending from Hamburg in the north to Dresden in the south, has been under careful tillage for more than two thousand years. That is why the soil is so much more productive there, although it must be added that the climate is also more reliable and favorable. Eastern Germany was not opened up for more or less intensive agriculture until about four hundred years ago, when it first was properly colonized. It is due to this circumstance that in these eastern provinces, where the large estates predominate, the rural civilization is on a distinctly lower level than in western Germany. The feudal system of landownership continued here until quite recent times. Up to the beginning of the last century the large landowners had only a comparatively small part of their land under their own management, the remaining and larger part being cultivated by peasants who were serfs; in those days, therefore, there were no landless agricultural laborers. After the Wars of Liberation, in 1813, an agrarian reform was attempted, but with the result that the landowners expelled hundreds of thousands of peasants or serfs and took under their own management the land that the latter had previously cultivated. In this way the powerful estate owners frustrated the reform and established their own complete supremacy. For not only were they thenceforward the leaders and supporters of agriculture in all its branches, as far as eastern Germany was concerned, but they were also the upper class both in political and in social life. From their ranks came a very considerable

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percentage of the German diplomats and officers, the higher officials, the judges, the chiefs of administrative districts, and the presidents of governmental bodies. They and their families constituted "society," at the head of which stood the royal family.

In this way it came about that the whole social structure of Prussia, and indeed of entire pre-war Germany, was fashioned so as to comport with the supremacy of this caste of eastern estate owners. They were regarded as the pillars of the state. Moreover, their economic position was so strong and so effectively maintained by a suitable taxation and customs policy that they were able to give their sons the best possible education and professional training. Need we wonder then that, tradition and prosperity quite aside, they produced a great number of intelligent and highly able representatives, who succeeded in consolidating more and more firmly the leadership of the large landowners in all agricultural questions? Under these circumstances the smaller farmers could not get rid of a feeling of inferiority, the more so as they found that higher education was practically monopolized by the feudalistic interests. Thus farmers' sons endowed with clever minds generally looked for a way to abandon the family calling and enter an economic sphere offering them a better chance to acquire an education and make their way in the world. This negative selection, as one might call it, which is still going on before our own eyes among the farming classes, must be held accountable for the fact that to this day the five millions of established farmers have failed to produce any leaders capable of effectively representing their interests in agrarian politics. If there have been any individuals gifted above the average who remained faithful to their agricultural calling they have invariably entered the ranks of the large landowners as freeholders or leaseholders, with the consequence that their interests became assimilated to the latter's.

The republican constitution adopted by Germany after the war abolished, at any rate in principle, a large number of the privileges of the large landowners — more especially their monopoly of the higher government posts, and also the exemptions which they had enjoyed in regard to taxation. Another prerogative thus abolished all too tardily was the permission that had been granted to the large landowners to import cheap labor from abroad. Before the war the German Government each year al-

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lowed the entrance of some 400,000 Polish agricultural laborers, who returned home for the winter months after spending the summer in doing much harder work than the German laborers, for ridiculously low wages and with unbelievably modest demands as regards lodging. It was due to the importation of this cheap labor from abroad that there was an ever widening gap between agricultural and industrial wages, so that the standard of living among agricultural laborers fell to the lowest possible level. Modern water supplies, electric light, gas and drains were almost never to be found in the huts of agricultural laborers in eastern Germany, whereas all these things were available in even the cheapest tenements in the cities. As a result, hundreds of thousands of agricultural laborers migrated to the industrial towns.

In spite of all these circumstances the rapid growth of the German people and their increasing prosperity kept creating new outlets for agricultural products and thus enabled the five millions of small farmers, by dint of hard work and efficient management, to hold their own in competition against the large concerns. Owing to the political handicaps, however, it remained impossible for the farmers of western Germany, despite the very high birth-rate prevailing among them, to settle in the eastern provinces where the population was steadily decreasing. For the large estate owners enjoyed an absolute land monopoly and never sold a single acre. Even when one of them went bankrupt, either the peculiar terms of the agrarian credit or the fact that the property was tied up by entail made it impossible to sell the estate except in its entirety, so that the new proprietor was again a large landowner.

After the war, and especially once the chaos of inflation had been overcome, it soon became evident that the five million small farmers in Germany were capable of adapting themselves to the new price conditions surprisingly quickly, and that they were far ahead of the large concerns in economic efficiency. It should be mentioned in this connection that for the purposes of intensive stock farming and diversified plant cultivation the employment of agricultural machines such as tractors and reapers does not seriously come into question even in the case of the largest concerns, because human labor is so comparatively cheap. On the other hand, it became increasingly evident during the years 1925–27 that the large agricultural concerns in eastern Ger-

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many had ceased to be profitable. Higher wages, higher taxes, higher interest rates and recently contracted debts entailed much greater expenses than in former times, while, in contrast with favorable prices for animal products, there were lower prices for grain. Receipts could not have been increased except by making every acre yield more grain; but only a very narrow margin for improvement in this respect had been left after what had already been achieved in Germany. As a result the large estates rapidly became involved in increasing debts. As early as 1928 the number of large agricultural concerns heavily mortgaged was estimated at between four and five thousand. Rents fell, and as the value of such estates is a mathematical function of the rent obtainable, land prices began to sink rapidly. The disaster spread in widening circles from the areas where it had first developed. Meanwhile, the small farmers continued for the moment to enjoy prosperity.

The collapse of the grain prices in the world market ushered in a highly critical situation for all owners of large agricultural enterprises, and the beginning of one of the most fascinating of all the internal political struggles of post-war Germany. The Weimar Constitution had formally deprived German large landowners of their old prerogatives. They had been the first to suffer financial shipwreck even before the storms of the world crisis had gotten thoroughly under way. One would have thought that the end of their supremacy had come. But events moved in the opposite direction. By dint of clever management, by taking advantage of all their old social connections, and above all by drawing on their vast political experience, the estate owners were able to organize themselves for an offensive, and their unwavering perseverance and self-confidence in their fight for life decided the battle in their favor and against the interests of the great mass of the smaller farmers.

They were clever enough, in the first place, to exploit to the full the strong position enjoyed by a large debtor. In 1930 the German Government, acting under their influence, began a steep upward revision of the protective tariff on grain, in order to save the large agricultural concerns in the eastern provinces. In addition to increasing the protective duties on grain up to $60 per ton, the German Government proceeded to manipulate the grain market. It established a monopoly for the importation of corn and practically cut off all imports of barley for use as

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fodder. These measures resulted in the complete isolation of Germany from the world market as far as these commodities were concerned. The favorable economic conditions during the years 1926–29 made it possible even for the Social Democrats to defend these duties, although they tended to diminish the real wages of the workers. Today the German price of wheat is 200 percent above the level of the world market. Finished agricultural products, on the other hand, were at first left entirely unprotected, and the measures which were afterwards taken in that direction were quite inadequate. But the advance of the grain prices which was thus effected at the expense of the broad masses of German consumers in order to save the large agricultural concerns, instead of achieving this purpose, only succeeded in inflicting heavy losses during the next two years on those agricultural producers who had been most successful until then in coping with their economic difficulties, namely, the small farmers and more especially those who bought grain from the large concerns for the purpose of raising pigs and producing eggs. After the bank crash of July 13, 1931, every one thought that the doom of the large estate owners was finally sealed. But they achieved another success. They evaded individual bankruptcy by obtaining a general moratorium, and this is still in force. While this moratorium undeniably transfers part of the unliquidity from the debtor to the creditor, it has served to calm minds and to allow time for readjustment.

But granting that the large landholders and aristocratic estate-owners are clever tacticians and perfect managers, they nevertheless can never succeed in bringing their enterprises back to prosperity. In all the countries of Europe they have been outstripped in the onward march of economic progress. Nor can the government possibly continue to employ the method of social aid which up to now it has been using in the hope of rescuing them. For that method is the most expensive one that could have been devised, consisting as it does in granting subventions in a roundabout way to the form of economic enterprise which is the most unprofitable. It is like pouring water into a sieve. It would be far less expensive to extend a helping hand to the members of this class directly by appointing them to government posts, in which they could render very valuable services. Even if the government had bought up at reasonable prices all the large estates whose owners found themselves involved in difficulties, the 2,000,000,000

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marks which would have been required for that purpose would have been well spent, because the political air would have been cleared. As things now are, the thanks of the large landowners for the monster subventions they have been enjoying generally assume the form of votes against the government and countless intrigues, both in domestic and in foreign politics. To build up a new social structure founded on millions of independent farmers is therefore an immensely important task from the standpoint of high state policy.

There is another discrepancy in the economic field which has exercised an adverse influence on German agriculture. Although industrial concerns were able to advance the prices of their products artificially, either through high protective duties or by national or international cartels, the agriculturists (especially the millions of small farmers) were altogether unable to find ways of counteracting their own increased production costs brought about by the higher prices of the industrial products which they were compelled to purchase. Cartels are impossible in agriculture. Quite naturally, therefore, the farmers in their turn made every possible effort to find substitutes for cartel or syndicate prices. They decided on a protectionist tariff. But they were unable to enlist the heavy industries on their side. For whereas the latter had assented to protective duties on grain, because they were connected socially with the large estate owners and had many common interests with them in the field of domestic politics, they refused to take up a similarly benevolent attitude towards the producers of finished agricultural products — first, because they had no social or political interests in common with them, and second, because high protective duties on finished farm products seemed to constitute a much more threatening danger to industrial exports. The result was that in 1931, two years after the crash of world prices for grain, the producers of milk and eggs still had only very slight protection against foreign competition, whereas German grain prices continued to be maintained at an extremely high level. Today, however, if the German Government were to fill the gaps in the protective tariff on agricultural products, it would be found that not even the highest duties could effect the desired price increase because the economic crisis has reduced the purchasing power of the people and therefore the consumption of these finished products.

On this inconsistent agrarian policy is to be blamed the fact

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that the raising of grain, although no longer a profitable branch of economic production, is being artificially expanded still further instead of being contracted, whereas the output of animal products such as milk and eggs, for which natural conditions are much more favorable, is being kept down. In general, efforts are at present concentrated on a general stabilization of the agricultural expense account by commercial as well as by economic measures. As a matter of fact, all these measures are powerless against the irresistible course of economic developments. For the attempt to secure an artificial income for the large agricultural concerns and the industrial cartels only serves to reduce the purchasing power of the broad masses still further, and the resulting decrease in sales leads to the closing down of the concerns in question, so that the material values invested in these kinds of business are reduced to a still lower level. And when these values have been consumed, there is nothing left to do but to appoint a receiver, which is just what the formation of cartels and the setting up of protective duties had been meant to forestall. For these reasons the German Government has already come to the conclusion that it will be necessary to give up the artificial maintenance of a number of large agricultural concerns, totaling considerably more than a million acres, and to make this land available for the settlement of small farmers. But as about 60,000 agricultural concerns, large and small, are legally protected by the moratorium, there still remains an enormous area for the government to care for.

In agricultural circles the opinion is generally entertained that the proper way for the German Government to put an end to the present impossible condition of the agricultural market would be to cut off altogether the importation of foodstuffs, especially tropical fruits and vegetables, by means of import monopolies and prohibitive duties, and to increase the prices for finished products by adopting a suitable commercial policy. But if that were done, the inevitable consequence would be that German industrial exports, from which several millions of workers still derive their subsistence, would be brought to a standstill. This would imply a further decrease of the purchasing power of the city population and a corresponding increase of unemployment, and therefore also a further fall in the prices of agricultural products. If we take a longer view of the matter, then, the only possible thing to do would seem to be gradually to lower the Ger-

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man tariff on grain, so as to reduce the costs of production in all industries to a level conformable to the needs of exportation. The attempt which is being made by nearly all the nations of the world to overcome the crisis by creating economic "self-sufficiency" is bound to end in failure. Like all other countries, Germany can keep alive only if the millions of workers who are idle at present, and who therefore have only a small fraction of their former purchasing power to spend for food, are able to find employment again. As this is written, however, in the beginning of May 1932, the number of unemployed (leaving seasonal variations out of account) has steadily increased.

Quite apart from all such measures — which in these times of crisis are decided upon from day to day and case by case, simply to avert sudden revolutionary changes — there remains one question of decisive significance for the entire economic and social life of the German people. Is agricultural production to be developed in Germany on the same basis as industrial production, that is, exclusively in the interests of producers and distributors, without taking into consideration how the social life of the German people is affected thereby? Among those advocating this course the theory seems to prevail that a ruthless mechanization of the methods of agricultural production would tend to increase the output of individual agricultural enterprises to such a degree that the number of workers engaged in agricultural pursuits could be steadily decreased. But that would mean that millions of German farmers would have to turn their backs on the land, and that German agriculture would have to be reorganized on big-business principles. And this at once leads to the further question, what is to become of all those people thus compelled to give up farming? During the past century this problem as to how former agricultural workers are to be provided for was solved by the fact that millions were able to emigrate, while other millions obtained employment in industry, which was prospering thanks to large exports. But emigration has been blocked for an indefinite future, and as to exports, it is doubtful whether they could be increased so as to satisfy the needs even of the present industrial population. Considering the fact therefore that the country is prolific in producing capable human beings, but poor in natural resources, it seems quite likely that a decision to let the further development of German agriculture proceed along these lines would disrupt Germany within the space of a few years.

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How to improve the standard of living among the broad masses of the population is nowhere discussed more thoroughly than in the trade unions and among the Social Democrats. It is especially interesting that for several decades this powerful labor party has been split into two camps over the agrarian problem. One wing uncompromisingly advocates small agricultural holdings and demands that the land should be settled by farmers; the other holds — largely for technological reasons, but also because of some political resentment against the capitalistic sympathies of the farmers — that it is necessary to organize the nation's agricultural enterprises on big-business principles.

As regards agricultural considerations, the solution of the problem will largely depend on the different consequences of large-scale and small-scale organization. These are manifest in the agricultural no less than in the industrial sphere. Monster concerns seem to be very unfit to weather the storms of a serious economic crisis. They lack elasticity, because they depend for making both ends meet on the full utilization of their extensive capacities, and because it is exceedingly difficult for them to adapt themselves to pronounced variations in the level of prices. That is why in Germany most monster factories and other large-scale concerns fall victims to the crisis, whereas millions of small industrial concerns and home-workers, especially artisans of all kinds, survive comparatively well. It should be mentioned in this connection that, so far as farmers are concerned, the part of their production which they themselves consume is entirely independent of any changes in the price level and even of variations in the purchasing power of gold. And since farmers generally market only a comparatively small part of their produce, it follows that this is the only part of it which is affected by an economic crisis. In large concerns the opposite is the case. The fact that the work is done by members of the farmer's own family also makes for greater economic elasticity, because their wages are automatically reduced during times of economic depression — in other words, because the farmer automatically reduces his standard of living. In large agricultural concerns, on the other hand, the wages do not begin to fall until the crisis has continued for a considerable time, especially in countries where the wages are regulated by the government, as in Germany. By that time, however, the financial strength of the enterprise has already been considerably weakened. Therefore, if they are in the majority, they will always

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endeavor to obtain protection and assistance from the government during times of economic depression. We have seen this happen before our eyes during the past few years, when the heavy industries made common cause in this respect with the large agricultural estates. Both groups set their faces against socialization. To be more exact, they set their faces against the socialization of their profits during times of prosperity. But this has not prevented either of them from demanding and obtaining from the government the socialization of their losses, with the result that the risk involved in the operation of large concerns was placed on the shoulders of the masses, that is to say, of the workers and employees in general.

But the question of large-scale or small-scale organization is of even more far-reaching significance in the realm of economic psychology and economic ethics. It is not too much to say that the social stratum of 5,000,000 independent farmers represents the most powerful bulwark against communism in Germany. For at heart these farmers and their families are uncompromising capitalists. They are convinced that the land is the ultimate means of national production, and that the security of the state and the economic order can have no better foundation than private ownership of land. With the single exception of Russia, all the European nations made up their minds after the war that the best way for them to organize their agriculture was to parcel the land out in small farms. They were alive to the fact that large agricultural estates with masters and servants had become an anachronism, and they saw clearly that there can be no greater safeguard for stability than that afforded by families which are firmly rooted in the national soil. The advancing wave of bolshevism was balked by the agrarian reforms carried out in Estonia, Latvia, Lithuania and Poland.

Soviet Russia's greatest mistake was the destruction of the organization of the land in the form of small holdings. This collectivization was not dictated by economic reasoning; it was a political act of self-defense on the part of the ruling caste of bolsheviks. For under the NEP régime the Russian peasants had already made such headway that agricultural production was rapidly increasing, and this tended so to stiffen the backbone of the non-bolshevik masses that it was regarded as a danger. The harmful results of this revolutionary transformation of the agrarian structure will be felt in the distant future. Even today

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the expense accounts of the newly-created agrarian concerns are not correct, because internal currencies are not immune to the laws which obtain under the capitalistic system regarding amortization of costs, interest, etc.; and these price movements are bound to create enormous difficulties where such large units are concerned as the Russian *kolchoses*.

In England it is generally recognized today that the government made an irreparable political mistake in remaining inactive when about 1830 the agrarian structure based on small farming fell to pieces, especially in Ireland, so that hundreds of thousands of small landowners and tenant farmers were forced to emigrate. Today the British Government is trying to build up again what was then destroyed. But while it is easy enough in a single year to destroy an economic structure which took centuries to develop, decades are not sufficient to restore it. Germany ought to take this lesson to heart. The agrarian structure must not only be protected, but it must be further developed by settling more farmers on the land. Germany may congratulate herself that she has so many citizens who feel attached to the soil and are willing to try to make a living out of it. Once they have become urbanized, they will never make good farmers again; but the opposite is easy enough. It should be pointed out in this connection that the great majority of German farmers love their bits of land in a way unknown among American farmers. They would never think of exchanging one farm for another for purely commercial reasons, or of migrating to the city. They would perish on the soil or emigrate rather than give up farming. Tradition and religious sentiments are powerful motives in that direction.

The German Government thus finds itself confronted by three great tasks:

1. Unless Germany is to bleed to death from the economic losses involved in trying to maintain the doomed feudalistic structure of her sparsely-populated eastern provinces, these latter must be settled anew with from 300,000 to 400,000 farmers and their families. A beginning has just been made in that direction. The German Government has just issued an edict by which about one and a quarter million acres, forming part of large estates which cannot be kept going any longer, are rendered available for settlement. As there is really no other way to restore agricultural prosperity in the eastern provinces and to prevent land prices from falling to zero, it is absolutely imperative to find the sums

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needed to eliminate the unprofitable estates, no matter how scarce capital may be at present. The moratorium granted to the agriculturists in the eastern provinces will have to be liquidated at a rate which does not entail fresh difficulties and dangers for banking institutions. Of soil and human beings there is no lack in Germany. As soon as the newly-settled farmers in these eastern provinces have begun to work, industry and commerce will also come to life again.

2. Everything possible must be done to strengthen the agrarian structure based on small farming which now exists in the western parts of Germany. One of the most urgent requirements in that direction is the abandonment of the present protective grain tariff and the adoption of a policy furthering the production of the small farmer's finished products such as milk, eggs and meat.

3. Unless Germany's whole economy is to remain below par indefinitely, it will be necessary to do away gradually with the protective duties which prevent the lowering of production costs and which hamper the German farmers in competition even within Germany's own frontiers. Only so will they also become able again to compete with the agricultural producers of other countries. Unless this is done, Germany will find that even after the world crisis has been overcome she will not be able to keep pace with other countries, but will continue to suffer.

The state of Württemberg furnishes a striking example of the successful way in which an economic crisis can be sustained by a community whose economic life is based on an agrarian system of small holdings worked by farmer-owners, and where well-organized industries balance the farms in suitable proportions. Württemberg is a real oasis in the German desert of depression. It is the one German state which is able to balance its budget, which has no public debts which it cannot meet, and where there is less unemployment than anywhere else in Germany. But all this is by no means the most astonishing aspect of its unique situation. Württemberg has no coal, no iron, nor any other metals; its most important districts are not even connected by any direct waterways. Yet its industries produce manufactures of the very highest standard — fine motors, automobiles and zeppelins, the famous Bosch magnetos, medical instruments, pianos, highly artistic furniture, linotype machines, arms, clocks and watches, toys, jewelry, and high-class leather and textile goods. In short, the best products of their kind are manufactured in Württemberg,

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a country without raw materials. These flourishing industries are accounted for in part by the high-class labor which is supplied by the families of the farmers. But one of the main reasons why Württemberg has been able to weather the crisis so successfully in all branches of its economic production is the purchasing power of its up-to-date farmers, who are able to consume all sorts of industrial products and other consumers' goods. This insures a brisk market, so that money changes hands there as readily as milk, eggs, vegetables and fruits.

In Germany as in other European countries the best way to protect the established economic system, based on the citizens as private capitalists, is for there to be a wide distribution of small farmers and their families. Not until the last farmer has been driven from his land will the road lie open to bolshevism. Indeed, as the example of Russia shows, the battle has not really been won even then. For even after the Soviet Government had forcibly collectivized its peasants it was not able to prevent them from remaining capitalists in their thoughts, with the result that already a new agrarian reform is imminent.

In general the opinions here set down concerning what is possible and what is necessary in regard to the future development of German agriculture are shared by the great majority of German statesmen — the large estate owners excepted. But it will remain impossible to put any such ideas into practice until we can prevent unemployment from involving still further millions and unless we can put a stop to the further deterioration of the economic situation. As long as the process of deflation continues, with rising taxation, scarcity of capital and credit restriction, and as long as buyers remain reluctant and capitalists mistrustful, agriculture will not flourish. We shall not be able to apply restoratives without assistance from abroad and without having arrived at international agreements. German psychology has not yet recovered from the inflation, so that it is impossible to lower the value of the German currency. International assistance is indispensable. But if that is granted, Germany can be relied upon to solve her agrarian problems in a way that will not retard the restoration of prosperity nor thwart the exchange of goods with other nations.

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BURMA AND ITS PROBLEMS

By Sir Harcourt Butler

BURMA has never been a real and integral part of India. She has indeed been influenced by India, from which the masses of her people have derived their Buddhist faith. The ordinary Burman, however, believes that the Buddha or Supreme Enlightened One was by birth and origin a Burman, and a few years ago a film showing the Buddha as an Indian Prince had to be discontinued owing to the resentment which it created in Rangoon. Indian influence can be traced in Burma's annals and in her architecture, and Indian traders sailed up her rivers. There was recurrent trouble with the Indian pirates that frequented the coast of Chittagong; and the kings of Pegu and Arakan from time to time invaded the northeastern portions of India. But in all essentials Burma has remained apart from India as she is today. Of a population of 13 millions, one million are Indians, and over 350,000 Indian coolies come over every year to reap the rice crop or to get casual employment; but except in Arakan, the division adjacent to Chittagong, the two peoples do not blend. There is no railway connecting Burma and India, and communication between the two is confined to steamship service between Calcutta or Madras and Rangoon, the journey taking two days and sometimes longer.

Burma became a province of India by the accident of conquest and by the convenience of recruiting its first administrators from India. It was annexed piecemeal after the three Burmese Wars: the northern and southern divisions of Arakan and Tenasserim in 1826, Rangoon and the rest of Lower Burma in 1852, and Upper Burma in 1886. The story of the last annexation is brilliantly told in Miss Tennyson Jesse's novel entitled "The Lacquer Lady." The arrogance of the Burman court and the ill-treatment of British subjects were the causes of the British intervention.

In area Burma is the largest of the Indian provinces, and in fact is larger than France. A great portion, however, consists of hills and forests. Northern Burma is for the most part hilly with valleys of cultivation along the courses of the rivers, widening as the rivers approach the sea. The whole of Lower Burma is a rice plain. The rainfall of Lower Burma varies from 60 to 200 inches; in Mandalay and the dry zone round it, it ranges from 20

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to 35 inches. The rivers continually encroach on the Bay of Bengal and deposit mud flats which in a short time come under cultivation and are added to the mainland. The coast line is about a thousand miles in length, and off the coast there is an archipelago of nearly a thousand islands. On the north and east the land frontier is coterminous with Tibet, China, Indo-China and Siam. Road communication is being pushed forward, over 2000 miles of rail have already been opened, and a bridge is being thrown across the Irrawaddy River near Mandalay. The Irrawaddy is still the great arterial connection of the province. The Irrawaddy Flotilla Company provides comfortable steamers, express and slow, the slow boats stopping at the bank when signalled to do so. The chief products are rice, timber and oil; there are also rich deposits of tin, lead, zinc and silver. Rubies, sapphires, amber and jade are also found, and there are gold washings in the river beds but not on a scale to be commercially profitable. The teak forests are famous. It takes about five years to get a teak tree down to the coast. As the wood when green is too heavy to float, the tree must first be girdled, *i.e.*, a cut some inches deep is made all round it near the ground. This lets out the sap and in three years the wood is dry. The tree is then cut and floated down the streams that run into the big rivers. When it reaches the river it is assembled with others and a raft is formed and floated down to a depot at a port.

The people are Mongoloid in origin. Burmans predominate, but there are also considerable numbers of Chins, Kachins, Shans, Talaings and Karens. The Shans are mostly found in the Shan States where they are ruled by their own chiefs who administer simple laws suitable to a backward society. There is no caste system as in India, though the influence of caste customs is to be detected in Arakan. The women are not secluded; in fact they play an important rôle in national life and have much influence. They are very attractive in appearance, wear bright silk garments and move gracefully. Few sights are more enchanting than a group of Burman ladies by moonlight at a pagoda during a popular festival. They are small and singularly dainty. The men are usually short but sturdy, with strong leg development; their thighs used to be tattooed from the knee to the waist, but this fashion is dying out. They are artistic, possess a taste for mechanics, and love sport, and games of chance. They are cruel like other Mongoloids, impulsive, very vain and passionate, sensitive

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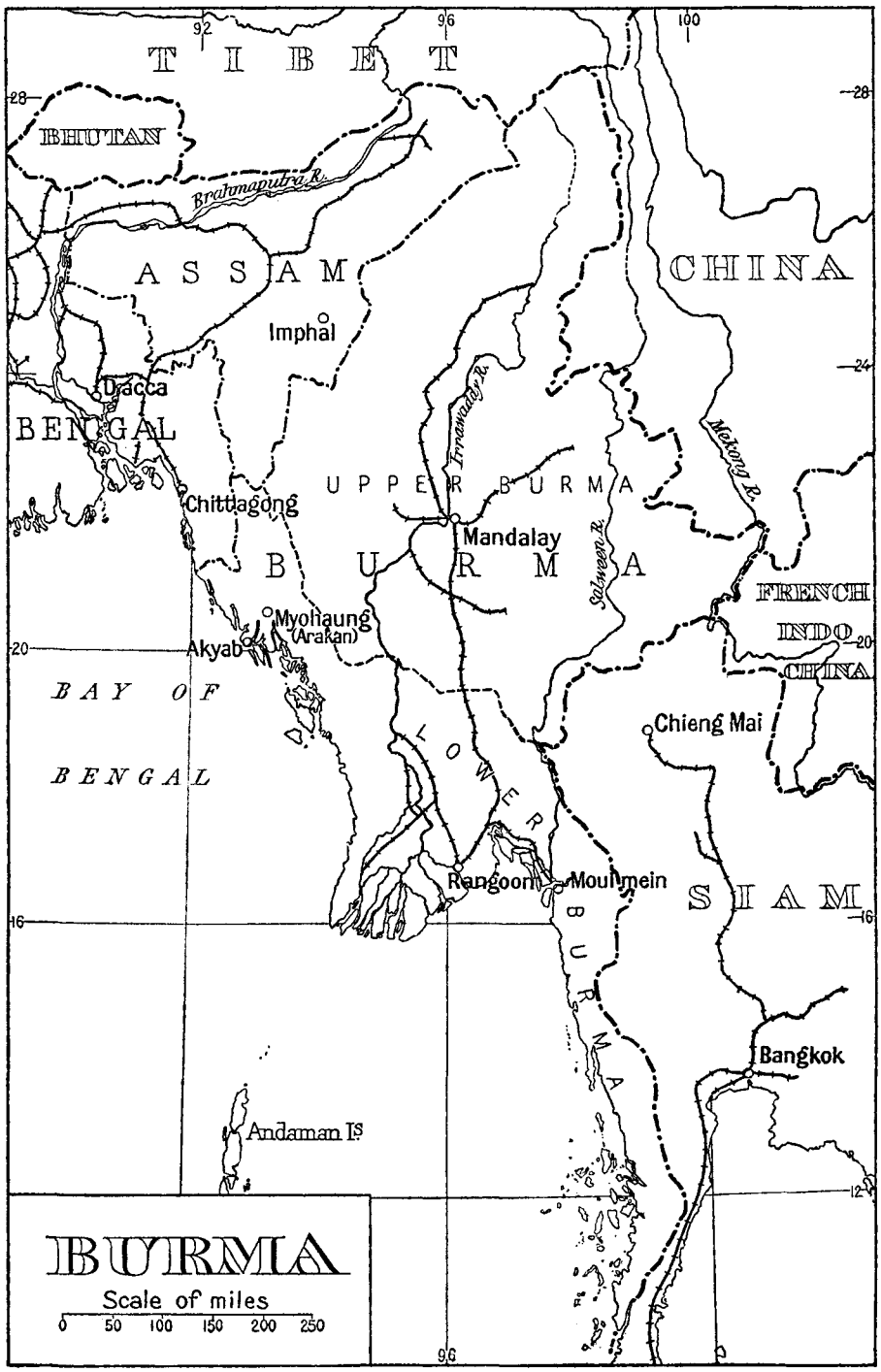

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on points of honor, quick to anger and to laughter, and not amenable to discipline.

It is said that the Burman is congenitally lazy, but this is not true of the people of Upper Burma, and once his attention is interested a Burman is capable of very hard and sustained effort. In Lower Burma life is made easy for him. The raising of the rice crop involves three periods of hard work of about a fortnight each: the ploughing in heavy mud and water, the transplanting of the rice from the seed-bed, and finally the reaping of the ripened crop. For the rest of the year there is little to do and the value of the rice enables the farmer to live comfortably. About 3,000,000 tons of rice are normally exported from Burma every year. Like other Mongoloids again they regard the government as a nuisance to be kept at arm's length rather than as a protector of the poor, which is the Indian view. Their religion seems to promote or express strong individualism which renders coöperation in politics difficult for them. On the other hand they have a passion for secret movements and societies. Murder and violent crime are very prevalent. Although the population is only 13 millions three or four murders occur every day of the year. The Burmans have been called the "Irish of the East," and they resemble the Irish in many ways, especially in being "agin the government." They seldom venture out of their own country, and regard foreigners with aversion and contempt. A few Burman women intermarry with Indians, and more with the Chinese. Generally the Indian is disliked because he competes with the Burman and works harder, and because he has a lower standard of living. The dislike, which is mutual, is both racial and economic in origin.

The Buddhist religion is general in Burma, but for the majority it is a cloak for underlying animism. The spirits, or Nats, are the powers to be propitiated. They bring prosperity or adversity, good luck or bad, rich or deficient harvests. They dwell in trees, or stones, or brooks, or mountains. Offerings of rice and other foods, cloth and other desirable things are made to them, and candles are lighted in their honor. When I told the Nagas that they must discontinue human sacrifices, they pleaded the necessity of propitiating their Nat, or spirit. Without human sacrifice they would have no harvest, the wombs of their women would miscarry, and all the ills that flesh is heir to would befall them. I insisted that the British Government was more powerful than their Nat, but my words fell on deaf ears. The Government

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might be more powerful, but it was far away and the Nat was always there. In the end the will of the Government prevailed and I was able to put an end to slavery and human sacrifice. Another belief is that the spirits of the dead must be released from earthly obligations and ties. Two of my Burman colleagues died in office and as Governor I had to send a message to the grave to permit them that day to relinquish their office and to allow them to go where they pleased. Even educated Burmans fear the Nats. But Buddhism is very much in evidence. Pagodas and monasteries are dotted all over the land. It is a work of merit to build a pagoda; it is not a work of equal merit to keep one in repair. Many therefore fall into ruin but all the famous pagodas are kept in rich repair and decoration. Often the pagoda is on the top of a hill and steps up to it are built into the hillside; the stiffer the climb the greater the merit.

Two great pagodas have been immortalized by Rudyard Kipling, the Moulmein pagoda and the Shwe Dagon pagoda of Rangoon. The Moulmein pagoda does not look eastward to the sea as in the poem; eastward it looks across Siam and Annam, and the sea is some miles away to the west. Still Kipling has "made it so" and for the majority of mankind it will continue to look eastward to the sea. The view from the ridge is surpassingly beautiful and represents to the patriotic and proud citizen of Moulmein what the harbor and the bridge over it represent to the citizen of Sydney. The Shwe Dagon pagoda is one of the wonders of the world with its graceful spire literally encased in gold plates. To the lover of Burma the first sight of it coming up the Rangoon River is what Sirmio was to Catullus and what the cliffs of Dover are to the homing Englishman. This is how Kipling described his first sight of it: "Then a golden mystery upheaved itself on the horizon — a beautiful winking wonder that blazed in the sun, of a shape that was neither Muslim dome nor Hindu temple spire. It stood upon a green knoll, and below it were lines of sheds, warehouses and mills. Under what new god, thought I, are we irrepressible English now." At night it is flood lit and it takes on a different glory from that at noon. Incidentally the illumination of the pagodas has enabled many small towns in Burma to have an electric light supply.

Monasteries are to be found all over the country. In the big towns they are extensive buildings. Most of them date from the time when the building material was wood and some of them have

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much fine carving. The indigenous architecture was in wood and bamboo and the bulk of the people still live in wooden or bamboo houses. New houses are now put up in brick. Each monastery is under an abbot and is independent, there being no central ecclesiastical authority. The monks wear yellow robes. Every Burman has to don the yellow robe when he is young, though only for a few days. There are said to be 80,000 monks in Burma, and these have to be supported by the people. Early every morning the monks go out with their black begging bowls to collect rice or other food. They are supposed not to look at women. They have finished their meal by noon and then they should teach or read the scriptures. They are not parish priests and have no responsibility for other people's souls. They teach the children to read and write, whence the relatively high standard of literacy as compared with India. The monks used to teach the children manners as well as morals, but they have less support in this respect nowadays from the parents, who seem to prefer the more efficient government schools.

The young monks have taken to politics and aim at the restoration of a Burman kingdom. There can be no doubt that the recent rebellion was largely engineered by monks. The older monks are mostly religious and are much respected. They are generally ready to help the government when appealed to. Several thousands of monks live at Mandalay, the last Burman capital, but fights between the different orders are not uncommon and the people find supporting them a burden. The political monks play on the credulity of the people by promising them immunity from bullets and other dangers by means of amulets, charms or the tattooing of certain symbols. In one particular district of Burma little local rebellions occur from time to time. A pretender sets up a village claim to the Burman throne, appoints ministers — the overt act of rebellion — collects followers and gets into conflict with the police, disastrous to himself and his following. There are really no limits to the credulity of the Burman villager. The more improbable a thing is the easier it seems for him to believe it. The monks are a drain on the country and are losing their influence in the towns; but they still exercise undoubted authority in the countryside and remain, though to a less extent than formerly, the teachers of the children in secular no less than in religious matters.

At the time of annexation the old Kingdom of Upper Burma

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centered on Mandalay. It was very tyrannical and very corrupt but its inefficiency and display appealed at that time to the people and rendered it more acceptable than an efficient government would have been. Corruption favors the rich, and tempers tyranny by making things tolerable for the influential and well-to-do. Annexation was not popular with the influential classes and the prospect of regular government was irksome to the adventurous spirits who found excitement and profit in disorder. The deposition of King Thibaw and his Queen Supayalat was effected without a blow. The British troops marched into Mandalay and the palace surrendered. Then began two years and more of pacification. Bands of dacoits, or rebels, were formed all over Upper Burma under Bohs, or rebel leaders. The large areas of forest, the ease and secrecy of communication by river at nighttime, the great distances of the villages from one another, all helped the dacoits, while their horrible cruelties cowed the people. By degrees the bands were hunted down, their stockades captured, their communications interrupted and broken. As their power failed the people rallied to the side of order and defended themselves against the dacoits. All the time Lower Burma appeared to be satisfied with the peace and prosperity of British rule and remained quiet.

During the recent rebellion the position was reversed. Upper Burma remained quiet and took no part in the rebellion. The authorities seem to have found ample evidence that the rebellion was directly political in origin and connected with political movements in India. The long and unsuccessful policy of conciliation in India and the leniency shown in Burma as in India in late years toward anti-government agitation had encouraged the idea that the British would depart if only they were given sufficient trouble. This feeling no doubt supplied the spark, but the intensity and extension of the rebellion was partly due to the economic crisis through which the country was passing. After years of high prices for their rice crop the Burmans could not sell their rice at all and they found the payment of any taxes very burdensome. The Government reduced its demands and cut down expenditure ruthlessly, but the administration had to be carried on and at that time it was not easy to raise loans on Indian or Burman credit. Events took the same course as in Upper Burma after the annexation. Bands of dacoits were formed and horrible cruelties occurred; then troops were brought over from

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India and the bands were steadily hunted down. As the power of the bands failed the people have begun to defend themselves, and now give the troops and the police information which previously they were afraid to give. The course has been similar to that in Upper Burma in 1887 and subsequent years, and the result the same.

The British have no doubt conferred great benefits on Burma. They have developed the country. The government has done its part; but the big trading firms, largely Scottish, have opened up the country and given well-paid employment to hundreds of thousands. Large capital is required to work the forests — a big staff and elephants literally in thousands. The rice trade requires agencies all over the country. The big mines like the Burma Corporation need large working capital. Now there are no rich men in Burma, and the Burmans have as yet shown no industrial capacity. Burmans wish to spend, not to save, their money, and their generosity is almost fantastic. They started a spinning factory of their own and the government helped it most liberally, but it soon failed and was bought by one of the British firms. For these reasons the indigenous accumulated wealth of Burma is in the hands of the British, the Indians and the Chinese. This condition of things lent itself to nationalistic agitation. The agitators preached, and many of the people for a time believed, that the price of rice had fallen because the export houses had formed a ring to keep it down. It made no difference that there was no foundation for this statement, that the exporters of rice were nearly ruined and had to cut down expenses drastically; the rumor got about and the politically-minded young monks spread it far and wide. Much misery and suffering have been the result but the people are now recovering their senses. The better class of monks who leave secular business alone came forward on the side of the British Government and the rebellion is now practically over. It is to be hoped that the land will have peace now for at least a generation.

Owing to the influence and teaching of the monks, Burma is relatively advanced in primary education in the vernacular, but in higher English education it is far behind India. The last of the old universities in India, that of Allahabad, was opened in 1887; Rangoon University was opened only ten years ago. Before that time the colleges and high schools in Burma were affiliated for examination purposes with the Calcutta University. The colleges

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were mostly missionary colleges in which religious and moral instruction were given. Prominent in this good work was the great American Baptist Mission. Gradually the Burmans developed a desire for non-missionary education. In 1916 I was able to secure a valuable site of over 400 acres in the best part of the suburbs of Rangoon for a university, and during my second term of office I was able, with the help of my Burman colleagues, the big European firms and the generous people of Burma, to collect about half a million pounds sterling for an endowment fund. The buildings of the University are now approaching completion. In advanced English education, however, the Burmans are still some forty or fifty years behind present-day Indian standards.

This deficiency in higher education accounts for Burman backwardness in political matters. A committee which I appointed in 1916 to consider the scope and range of desirable political reforms reported that very little change was necessary. Burma was in consequence left out of the Montagu-Chelmsford reform scheme for India. This gave rise to a demand for reforms not inferior to those given to India. The mass of the people took no interest in the reforms but the advanced party began to be vociferous. A scheme was drawn up rather more advanced than that given to the other provinces of India and it fell to me to introduce this scheme in the beginning of 1923. At that time the Burmans had not made up their mind on the question of separation from India. This had long been advocated by British officials who thought that Burma was the milch cow of India. There is no leisured class in Burma and the Burmans who went over to the Indian legislative assembly could not make their voice heard. They were backward, wore different clothes, spoke a different language and had a different faith. The questions which vitally concerned India, such as the protection of the vulnerable Northwest Frontier and the communal differences between Hindus and Moslems, had no interest for them. At first the Burmans were suspicious of the foreigners who advocated separation; it was a movement, some thought, to keep Burma in perpetual tutelage. But by degrees the pressure of Indian competition in the professions and the labor market turned their minds towards separation and self-expression.

When the prospect of ultimate dominion status was adumbrated for India the demand for separation became more general. It was tolerable to be under a British government for a time, but

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it was quite intolerable to be under a government of Indians at any time. The cry for separation grew and was voted almost unanimously in the Burman Legislative Council. Indian influences were then brought into play. The Indians have found the connection with Burma profitable and do not want to lose it. A counter-agitation was then set up, small in numbers but loud in voice, which claimed that Burma should continue as part of India until both India and Burma received full dominion status. Writing for the London *Times* in 1930, I stated the position as follows:

> The Burman Government has recently summed up the arguments for and against separation. The leading arguments for it are that the Burmans differ radically from Indians; that they cannot have an effective voice in an Indian legislature; that their interests have already been subordinated to those of India in such matters as the protective steel duties, the export of hides, the manufacture of salt, and that their disadvantage in this respect will increase as an Indian legislature grows stronger; and, finally, that they would gain financially by separation. The leading arguments against it are that Burma is wedged between India and China, that it depends on India for defense, for labor and for cheap credit — an important point for a country which requires loans for development. A northeast frontier question may again become obtrusive as it did some twenty years ago when the Chinese occupied Lhasa.

In my opinion the mere mention of dominion status as a practical proposition, even for a future possibly very remote, made the ultimate separation of Burma from India quite inevitable.

The proceedings of the recent Burma Round Table Conference were somewhat bewildering as no fewer than three or four groups of Burmans claimed to represent the country as a whole. Each was bound by instructions from its organization in Burma, and the only point of agreement apparently was that Burma must not in any case get less than India. In addition there were the minorities — Indians, Chinese, Karens, Europeans, Anglo-Indians — and the representatives of British, Indian and Chinese commercial interests. The Burma Conference, like the Indian Conference, was unable to reach any agreement on the vexed and difficult question of minority representation.

At the end of the Conference His Majesty's Government made a definite offer to the members, but before dealing with this we must describe the present form of constitutional government. The portfolios are divided into two classes, the reserved and transferred subjects. The reserved subjects, which include the

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central subjects, *i.e.*, those directly concerning the Government of India, are directly controlled by the Governor and two Members of Council, one English and one Burman, all of whom are appointed for five years by His Majesty's Government. They are responsible to them and to Parliament, and also are subordinate to the Viceroy and Government of India. The reserved subjects include law and order, police and justice, land revenue and finance as affecting those subjects. The transferred subjects are directly controlled by ministers selected by the Governor but responsible to an elected Burman legislature. The transferred subjects are local self-government, education, forests, public health, agriculture and excise. The Legislature consists of one chamber called the Burma Legislative Council, with 103 members. Of these 80 are elected, the rest are nominated by the Governor. The Council has large powers of legislation, interrogation of the executive and voting supply. In the reserved subjects the Governor has power to restore supply that has been refused and to take all measures necessary for the safety of the Province. The Members of the Council and the Ministers meet the Governor for joint discussion and exchange of views; but in the case of the reserved subjects the decision rests with the Governor and his Members of Council, and in the case of the transferred subjects with the Governor and his Ministers. This, broadly, is the existing constitution. It has been called dyarchy; but most constitutions contain lurking principles of dyarchy.

Burma will now have to decide whether or not she wants to be separated from India. This will be the issue at the general election in the coming November. One might suppose that Burma will not be able to make up her mind because she will not know what will be the constitution in India. It is generally expected, however, that the decision will be preponderantly in favor of separation. Then Burma is to be offered, subject to Parliamentary approval, a constitution on the following lines:

1. Responsible government reposing in an Upper House, partly nominated and partly elected, and a Lower House directly elected.
2. Adequate representation of minorities and of special interests like commerce.
3. A ministry of six or not more than eight appointed by the Governor and directly responsible to the Legislature.
4. Special powers to the Governor to administer defense and external affairs, monetary policy including exchange currency and coinage, the protection of the rights and interests of the officers recruited by the Crown or Secretary of

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State, with power to refuse assent to legislative measures or return bills for reconsideration.

5. The Governor to be independent of the Legislature for supply of the reserved subjects and to retain necessary powers of legislation subject to responsibility to Parliament.

6. The Shan States and excluded areas to be as at present under the Governor.

The Prime Minister gave an assurance that it would be the endeavor of His Majesty's Government "to insure that these powers shall not prejudice the advance of Burma to full self-government."

The first effect among Burman politicians may be disappointment, but those who know the country well will feel that a very large measure of independence is being conceded; indeed, there is much questioning as to whether Burma is prepared for it, owing to her backwardness in education and experience, especially in municipal and district self-government. A leading statesman observed that Burma had governed itself quite recently in Upper Burma. But that government would never be tolerated at the present time. It may be said in no unkindly spirit that the Burman is peculiarly disposed to run before he can walk. It may be hoped that he will make the best of the opportunity now generously offered him.

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THE FIRST YEAR OF THE SPANISH REPUBLIC

By Luis Jimenez de Asúa

MANY people in Spain, especially those living in the mountains or in remote valleys, are asking what the Republic has actually accomplished during its first year of existence. Only echoes of the first steps forward have as yet reached these far corners of the land. Naturally the question is also being asked abroad.

Let me begin by summarizing the problems which urgently demanded solution immediately after the revolution on April 14, 1931. The decree convoking the Cortes particularly emphasized two subjects — judicial proceedings to determine the responsibilities of the old régime, and the drafting of the Republican constitution. But in addition to these two matters, one involving the past and the other the future, there were other urgent problems to be faced. Three of them may be described as antecedent questions — the military question, the religious question, and the regional question. The Republic did not stop at finding remedies in these important categories, however, but also made vigorous efforts to build firm foundations for its future by undertaking reforms in public instruction, social and agrarian policy, and the judiciary.

In my story of what the Spanish Republic has accomplished in 365 days I shall take up in turn these eight problems.

I. RESPONSIBILITIES

One of the ungrateful tasks confronting the Republic has been the liquidation of the past. The monarchy and its servants were guilty of crimes which could not be allowed to go unpunished.

The Constituent Assembly quietly assumed this task. The responsibilities of the old régime could not be considered in terms of the ordinary Penal Code, a simple technical law covering the offences of daily life and never devised to punish the treason of a king and his so-called ministers. For this reason the Constituent Assembly was obliged to vote the Law of Responsibilities of August 27, 1931, and to create a commission to draw up the indictment. Judgment has been pronounced in the most urgent case,

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and soon Parliament will learn the second part of the affair: the responsibilities of the authors of the 1923 *coup d'état.*

At dawn on November 20, 1931, a verdict of guilty was pronounced against the ex-King, and the sentence was published four days later. The crime of Don Alfonso of Bourbon and Hapsburg-Lorraine was correctly defined as high treason, and the royal culprit was declared an outlaw. Let me now explain the sentence. In Germanic times the law was an "order of peace;" whoever violated the law broke the peace and was deprived of its benefits. The Germans called it *Friedlosigkeit.* An outlaw, without a country or family, was a public enemy. Anyone could pursue him, capture him, put him to death and attach his property. As is said by Binding, one of the most enlightened German authorities on penal law, *Friedlosigkeit* contained the germ of all penalties except the fine, which came later. Granted that anyone may kill an outlaw or seize his person, we find in *Friedlosigkeit* the origin of the scaffold and the penitentiary. The verdict of the Spanish Constituent Assembly is, therefore, particularly appropriate. Alfonso of Bourbon is outlawed; any Spanish citizen may seize him and the state must attach his property. *Freidlosigkeit* has been pronounced against him by the people.

The medieval flavor of the penalty should disturb no one. A man who, following the tendencies of his ancestors, wished his country to return to the absolute monarchy of the Middle Ages, has been chastised with a punishment appropriate to his atavistic personality. It is a modern principle to make the punishment fit the crime.

II. THE CONSTITUTION OF DECEMBER 9, 1931

The work of framing the text of the fundamental law of the Republic passed through three stages. The first lasted from the middle of May to the early part of June 1931. In it, the *Comisión Jurídica Asesora,* a technical organization created by the government and attached to the Ministry of Justice, drew up the preliminary draft, which was the Constitution in embryo. In the second stage, lasting from July 28 to August 18, the plan was revised by a Commission nominated by the Cortes, and consisting of twenty-one deputies, with myself as chairman. The draft they adopted became the real basis of the Constitution. In the third stage, the draft constitution was discussed by the Cortes and finally approved December 9, 1931.

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The Constitution consists of 125 Articles, contained in a preliminary chapter and nine other chapters. Laws are made affecting the national organization, nationality, the rights and duties of citizens, the Cortes, the Presidency of the Republic, the government, justice, the treasury, and the guarantees and amendment of the Constitution.

Preliminary Chapter: General Provisions.

The preliminary chapter establishes basic principles.

Article 1 contains a definition of the Spanish Republic: "Spain is a democratic republic of workers of all classes, united under a régime of liberty and justice. The powers of all its organs derive from the people. The Republic constitutes an integral state, admitting the autonomy of municipalities and regions."

Article 2 establishes the equality of all citizens before the law. The third establishes religious neutrality: "The Spanish State has no official religion." The fourth states that the official language is Castilian; the fifth that the capital is Madrid. The sixth demonstrates the peaceful inclination of our country by subscribing to the principle set forth in the Briand-Kellogg Pact: "Spain renounces war as an instrument of national policy." The seventh recognizes the rules of international law, which are accepted by the Spanish state and incorporated into its positive law.

Chapter I: National Organization.

In Chapter I of the Constitution the Spanish nation is organized. The state shall be integrated by the union of municipalities into provinces and by regions constituting autonomous governments (Art. 8). All municipalities shall be autonomous in matters over which they have jurisdiction (Art. 9), and the provinces shall consist of the same municipalities of which they are at present formed, save for such modification as is authorized by law (Art. 10).

If one or several neighboring provinces, with historical, cultural and economic characteristics in common, agree to organize themselves into an autonomous region in order to form a politico-administrative unit within the Spanish state, they shall submit a charter the approval of which shall depend upon the following conditions: (a) that it be proposed by the majority of its governing bodies, or failing that, by at least those whose municipalities comprise two-thirds of the registered voters; (b) that it be ac-

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cepted according to the procedure indicated by the electoral law, by at least two-thirds of the registered voters of the region; (c) that the Cortes approve of it (Arts. 11, 12).

In so far as matters within the jurisdiction of the state and the autonomous regions are concerned, a tripartite classification is followed. Article 14 enumerates the subjects which as regards both legislation and execution lie directly within the jurisdiction of the state. In Article 15 are enumerated such matters as are within the jurisdiction of the state but in which the autonomous regions have a voice in the measure of their political powers as determined by the Cortes. In Article 16, in order not to prejudice matters left by the Constitution within the jurisdiction of the regions, detailed enumeration is omitted and a general formula is adopted: "In matters not included in the two previous articles, sole rights to legislate and the power of direct administration lie within the jurisdiction of the autonomous regions, in conformity with the respective charters approved by the Cortes."

Article 17 provides that there shall be no discrimination between the inhabitants of a given region and other Spaniards. Article 18 declares that matters not exclusively recognized in the charter of an autonomous region shall be considered to be within the jurisdiction of the state. The Spanish state may determine the basis on which the legislative powers of the autonomous regions shall be distributed, when harmony between local interests and the general interests of the Republic so require (Art. 19). The laws of the Republic shall be executed in autonomous regions by the authorities of those regions, except in the case of laws the application of which is entrusted to special departments (Art. 20).

Lastly it is stated, as in the Constitution of Germany, that "the law of the Spanish state shall take precedence over that of the autonomous regions." But in order that the autonomy of the latter may not be impaired, this phrase is added — "in all matters not exclusively reserved to the latter by their respective charters" (Art. 21).

Chapter II: Nationality.

Most existing constitutions leave problems relating to nationality to be settled by special laws; but the tradition of Spain is for the constitution to take such matters in its own hands and to place them in the forefront. As we were making a constitution for

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Spain, and not merely translating one from French or German (although the influence of the Mexican and German constitutions cannot be denied), we wished to follow the Spanish tradition. We therefore set out in this section to define who are Spaniards, and how and when they acquire or lose their nationality. In this connection the last section of Article 24 is of supreme importance. Our cordial feeling for the Spanish communities living on the other side of the Atlantic made us feel the importance of granting double nationality, subject to reciprocity, to the natives of Spanish-American countries, Portugal and Brazil. Up till now Spanish Americanism has got no further than champagne bubbles at fraternal banquets. We wish to bring it into more real and more practical channels.

Chapter III: Rights and Duties of Spaniards.

Declarations of rights were originally concerned with the individual man. They were considered sacred but were rather ineffectual. About the middle of the last century we became aware of an evolution. The French declaration of 1848 marked the transition from purely formal statements to statements of fact, since, although not very definite in their wording, these latter affirmed to some extent the right to work and the right to assistance. Briefly, these are economic formulae which do not confer any right to participate (real or theoretical) in the act of government, but offer a basis for ordinary decent human life and for all activity apart from political liberty.

Recent constitutions are characterized by the development of this process, as is revealed — each in its own way — by the fundamental laws of Mexico (1917), Russia (1918) and Germany (1919). It has indeed become inconceivable that rights of protection or recognition belong alone to isolated individuals. For the same reasons that the individual claims rights, collective entities are entitled to them. Consequently modern constitutions must take cognizance of the family, the trade union, and associations of every kind. Now mere statements of principle are not enough, as they frequently are ineffectual in the struggle with the executive power or even with the judiciary. Something more is required, namely, a real guarantee based upon concrete regulations and a court of appeal which can be approached to demand the fulfilment of obligations denied by ordinary authority. In short, what is now demanded is that declarations of the rights of

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man should not be mere *declamations*, as they were called in Germany when the Constitution of Weimar was under discussion. Nowadays every statement of social theory shows much concern for the rights of groups and collective individuals and for the guarantees of those rights.

That is what we have tried to achieve. We have tried to uphold and fortify the old dogmatic claims, but at the same time to provide guarantees to the citizens against attacks of the executive power, and even of the judiciary.

Chapter IV: The Cortes.

When we began to outline our new legislative structure we were confronted with the problem whether to have one chamber or two. It seemed to us that the argument of the Abbé Sieyès on this point is conclusive: if the two houses are united and represent the popular will, one of them is superfluous; if one is in opposition, then one or the other does not represent the popular will. The old Senate had to be abolished because if it was to be a place in which superiority of age, culture, or wealth were represented that concept is incompatible with the democratic system. On the other hand, if the purpose of a Senate is to establish a coöperative system in which capital and labor are associated, so far from solving the problem, the antagonisms between these two elements become more profound, more powerful, more insoluble. Consequently, we did not authorize a Senate but only a single Chamber.

The text of Chapter IV includes precepts similar to those of all other constitutions. It is stated that legislative power is vested in the Cortes (Art. 51), elected by universal suffrage which is equal, direct and secret (Art. 52); every citizen of the Republic over twenty-three years of age is eligible for election to the Cortes without distinction of sex or of civil status, and the term of office shall be four years (Art. 53). The inviolability and immunity of parliamentary proceedings are expressly stated (Arts. 55, 56).

The Cortes shall meet without being summoned on the first working day of the months of February and October of each year and shall function for at least three months in the first and two months in the second period (Art. 58); and in order to assure its existence, it is stated that "when the Cortes has been dissolved it has full rights to convene again and is invested with power as

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the legislative arm of the state, from the moment when the President has failed to order new elections" (Art. 59).

The government and Cortes are empowered to initiate legislation (Art. 60); but the Cortes may authorize the government to legislate by decree upon matters reserved to the legislative power. Such authorization must not be of a general character and Congress may demand information as to such decrees (Art. 61).

Article 62 establishes what is called the "Permanent Committee of the Cortes," consisting of twenty-one members of Parliament. This is not a Committee with legislative powers, but one which carries over the fiscal powers of the Cortes when it is not in session. A glorious Spanish precedent, and under the same name, was established by the Cortes of Cadiz of 1812. Its function is so valuable that in Austria, Mexico and Czechoslovakia we also find these Permanent Commissions.

Article 66 incorporates the referendum into our political code. Accordingly, laws voted by the Cortes may be submitted to referendum if 15 percent of the electoral body so demands; but this does not apply to the Constitution, its complementary laws, the laws ratifying international agreements registered with the League of Nations, regional charters, or tax laws. Under similar conditions the people are entitled to exercise the right of initiative.

Chapter V: The Presidency of the Republic.

Chapters IV and V overlap somewhat.

Only Spanish citizens of forty years and upwards are eligible for the Presidency, provided that they be in the full enjoyment of their civil and political rights (Art. 69); but the following may neither be proposed nor elected: (a) military men on active service or in the reserves, or retired soldiers who have not been at least ten years out of active service; (b) the clergy, ministers of various sects and religious orders; (c) members of reigning families or ex-reigning families of any country, whatever the degree of relationship between them and the heads of those families (Art. 70).

The term of office of the President of the Republic shall be six years, and he shall not be reëlected until six years after the termination of his last term of office (Art. 71). The election of the new President shall occur thirty days before the expiration of the previous presidential term (Art. 73). The first prerogative of the President of the Republic is freely to appoint and dismiss the

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Premier, and, on the proposal of the latter, the Ministers; but as Spain has adopted a definitely parliamentary system "he shall be forced to dismiss them if the Cortes should definitely refuse to accord them its confidence" (Art. 75).

It is likewise the privilege of the President of the Republic: (a) to declare war and to make peace in conformity with the conditions set forth in Article 77; (b) to make civil and military appointments and confer professional titles, in accordance with the laws and regulations; (c) to authorize decrees by his signature which have been countersigned by the Minister concerned, and previously agreed to by the government, the President having the right to submit the proposed decrees to the Cortes if he believes that they conflict with any existing law; (d) to take whatever urgent measures are necessary to the defense, integrity and security of the nation, provided he immediately communicates them to the Cortes; (e) to negotiate, sign and ratify international treaties and conventions relating to any subject and to see that they are fulfilled throughout the entire national territory (Art. 76).

Articles 77 and 74 deal with the conditions under which war may be declared and under which Spain may resign from the League of Nations. With Articles 7, 65 and 76, they constitute the international portions of our Constitution. It is our belief that no other political code has gone so far in stating its desire for peace.

Chapter VI: The Government.

The government shall consist of the Prime Minister and his Ministers (Art. 86). The former directs and represents the general policy of the Cabinet (Art. 87). The President of the Republic may appoint one or more Ministers without Portfolio (Art. 88). The members of the Cabinet are responsible to the Cortes, collectively for the policy of the government, and individually for their own ministerial conduct (Art. 91). The Prime Minister and his ministers are also individually responsible, in civil and criminal law, for violations of the Constitution and the laws. In case of violation, the Cortes shall bring its accusation before the Court of Constitutional Guarantees (Art. 92).

Chapter VII: Justice.

In all contemporary constitutions the desire to strengthen the judicial power is evident. It would seem as if the state, in all its modern phases, wished to invoke the fundamental principle of the

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state as law. This is proved by the invocation of the unconstitutionality of the law against the acts of the legislature, and the establishment, in many cases, of the right of administrative appeal in matters of dispute. This can only be done by attributing to the judicial power a prestige which it never had before; because, in spite of the deceptive name of power, it was never anything more than the administration of justice, subject to the executive. For this reason, Article 96 of the Spanish Constitution provides that the President of the Supreme Court shall be elected by the Cortes.

Chapter VII: The Treasury.

This chapter was drawn up by expert technicians in the *Comisión Jurídica Asesora*. The Parliamentary Commission introduced only minor modifications, and the Cortes also gave approval with but few changes. As one of the least qualified of those concerned with its formulation, I shall merely say that many of the points contained in this chapter were considered by some to go far beyond the requirements of the Constitution. But this excess of regulation was an attempt to find a guarantee that what happened during the Dictatorship should never happen again — the squandering of the resources of the nation.

Chapter IX: Guarantees and Amendments of the Constitution.

It is in this final chapter that we create the Court of Constitutional Guarantees, which to a certain extent resembles that of Austria, but which is above all a synthesis of the American, French and Mexican systems.

With jurisdiction over the entire territory of the Republic, the Court is authorized to deal with the following: a) appeals concerning unconstitutional laws; b) appeals concerning individual guarantees, failing appeal to other authorities; c) conflicts concerning legal authority and other conflicts between the state and the autonomous regions and those between the regions themselves; d) the examination and approval of the powers of the presidential electors who, together with the Cortes, shall elect the President of the Republic; e) the criminal responsibility of the Chief Executive, the Prime Minister and his Ministers; f) the criminal responsibility of the President and the judges of the Supreme Court and of the Attorney General (Art. 121).

The last article of the Spanish Constitution treats of the

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problem of Amendments. The guarantees of constitutional amendment give our political charter the appearance of a rigid constitution, but the fact is that nowadays flexible constitutions have almost completely disappeared, even when they demand a qualified majority for the amendment, or require the summoning of a constituent assembly. It is evident that today flexibility is losing ground.

I shall bring this subject to an end with a few brief words on the tendency of our political code. I must admit that we drew up an advanced constitution; this was deliberately decided upon by the Cortes. We drew up a left-wing Constitution, but it was not a socialist one. Those who accuse us of that are untruthful. Our recognition of private property shows that our work was not socialist. We made, however, a daring constitution. We definitely opposed those who wished to make Spain a monarchy without a king. Our constitution is a democratic one, inspired by liberty, and of great social import.

III. MILITARY REFORM

Ever since 1917 the Spanish Army has been in latent revolt. It bartered with Cabinets and went behind the backs of Ministers to confer with the King. In 1923, as we know, it achieved the famous *coup d'état* which made the Dictatorship possible.

The army was the nightmare of successive monarchical governments. The number of officers was 26,000 and the War Ministry absorbed almost one-third of the total Spanish budget. According to Señor Carner, the present Minister of Finance, the monarchy in the last few years squandered five thousand million pesetas in Morocco, a sum larger than Spain required for her whole economic reconstruction.

The program of the Revolutionary Committee, afterwards the Provisional Government of the Republic, provided for a reduction of the number of generals and other army officers. Today the active list has been reduced from 26,000 to 7,662, plus 1,756 on service in Africa. The remainder have been placed on the reserve list, without promotion, and in time will be dropped. The rank of captain-general has been suppressed. The number of military academies has been reduced from five to two. The number of ordinary troops has been reduced to 105,367, including non-commissioned officers, a new class which has been created

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between the officers and the private soldiers. The troops in Africa today number 41,774, of which 9,000 are Moors.

Despite the fact that we have created general inspections and a Supreme War Council and have raised the pay of the rank and file, military economies effected in the past year have amounted to 70,000,000 pesetas, plus 40,000,000 pesetas of economies in Morocco. The Minister of War is continuing his reforms, designed to make the Spanish army an effective instrument but to keep it from being a burden upon the country. On April 7 of this year, for example, Señor Azaña submitted to the Cortes a proposal that all branches of the army in Africa and in the zone of the Spanish Protectorate in Morocco shall be recruited, so far as available credits permit, by the voluntary system.

In this manner a reform which the Spanish people desired for many years has been achieved by the Republic within a few months and without the slightest disturbance.

IV. THE RELIGIOUS QUESTION

Another problem which the Republic had to solve if it was to look forward to a peaceful future was the religious question. Under the monarchy it could never be touched. Except as a means of stirring up the left-wing electorate, nobody dared to think or talk of the separation of church and state. As everybody knows, the Constitution of 1876 declared the apostolic Roman Catholic religion the official religion of Spain. When the Liberal Government came into power in 1923 it tried to introduce very modest modifications of the law so as to permit a faint freedom of religion; but the high dignitaries of the church were in opposition and the government was obliged to drop the project.

By Article 3 of the Constitution of 1931 church and state are not separate. The state has no official religion, and all sects are placed upon the same footing. The Cortes debated this subject in every detail, and the adoption of Article 26 occasioned a crisis in which Premier Zamora and Don Miguel Maura, Minister of the Interior, both resigned. This article and Article 27 are of such importance that I quote them literally.

Article 26: All religious denominations shall be considered as associations subject to special laws. The State, the Regions, the Provinces and the Municipalities shall not favor or give economic assistance to any churches, associations or religious institutions. A special law will regulate the total abolition, within a maximum period of two years, of State grants to the Church. Those religious

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orders which in addition to the three canonical vows require a special vow of obedience to an authority other than the State, are dissolved. Their property shall be nationalized and devoted to charitable and educational purposes. The remaining religious orders shall be subject to a special law voted by the Constituent Cortes and resting upon the following provisions: 1. Dissolution of those orders which, because of their activities, constitute a danger to the State. 2. Registration of those which remain in a special register controlled by the Ministry of Justice. 3. Inability to acquire or hold, either themselves or through an agent, more property than is strictly necessary to their support and the direct fulfilment of their own purposes. 4. Prohibition to engage in industry, commerce or teaching. 5. Submission to all the tax laws of the country. 6. Obligation to render annual accountings to the State regarding the use of their funds in relation to the purposes of the association in question. The property of the religious orders may be nationalized.

Article 27: Liberty of conscience and the right to profess and freely practice any religion are guaranteed on Spanish territory, with due respect to the requirements of public morals. Cemeteries shall be exclusively under civil jurisdiction. There shall be no separation of sections in them for religious reasons. All denominations may practice their rites in private. Public religious manifestations must in every case be authorized by the government. No person shall be compelled officially to declare his religious beliefs. Religious status shall not in any way affect civil or political status, save in so far as this Constitution provides for the nomination of the President of the Republic and the Prime Minister.

In accordance with Article 26, the government by a decree dated January 24, 1932, dissolved the so-called Company of Jesus, which has played such a part in the public and private life of Spain. And the *Comisión Jurídica Asesora* has drawn up the preliminary bill relating to denominations and religious orders, giving effect to the articles of the Constitution.

A year ago the idea of reducing religion to its proper limits in the human conscience would have seemed an impossible dream on the part of Spanish liberals. Yet although the deputies who form the tiny minority of the extreme right in the present Cortes threatened to bring about civil war in Navarre and in the Basque country, the constitutional provisions were adopted and have been or are being executed. Nor has public order been disturbed.

V. THE REGIONAL PROBLEM

Under the monarchical régime Spain constituted a unitary state, despite the fact that in certain regions — particularly in Catalonia — there existed a deep-rooted desire for autonomy. The fact that this was completely denied by the monarchy made things worse and created highly dangerous separatist

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currents. Primo de Rivera promised complete autonomy to the Catalans provided they helped him in his schemes; but once he had achieved power, he not only forgot everything he had promised but furiously and stupidly persecuted the Catalan language. Catalonia, deeply wounded, developed an ungrounded hatred for the rest of Spain, and especially Castille. At the same time a sentiment for autonomy developed in the Basque country and in Galicia, although not so powerfully.

This was the difficult situation with which the Republic was confronted. The federal idea had the support of a number of republicans, and concessions to the idea of autonomy were inevitable. This was agreed in August 1930 between the representatives of Catalonia and the other revolutionary forces in the famous agreement of San Sebastián, when the revolution was being prepared.

In our Constitution we deliberately refrained from stating that Spain is a federal republic. We refused to say so because nowadays both the federal and unitary systems of government are evidently passing through a crisis both of theory and practice. Take the case of Germany. The Weimar Constitution established the powers of the Reich and reduced the titles of the former states to *Länder*. In other words, the German federal state is being transformed into an integral state. But the Spanish case is the reverse: hitherto it has been a unitary state, but now several of its regions desire autonomy.

The old antithesis, unitary state versus federal state, must nowadays be superseded by the synthesis of the integral state. The typical unitary state has been passing through a crisis of impotence ever since the beginning of this century, when its weaknesses first began to be apparent. Since the war, international limitations placed upon a state's freedom of action, and the demands of new national entities, have increased the unitary state's difficulties and make the crisis plainer than ever. All the new states (including France, which prior to the acquisition of Alsace-Lorraine was a model of the unitary system) have been obliged to depart from the fundamental principle.

Nor has the federal state succeeded in surviving, either basing itself on the principle of mutuality (as exemplified by Pi y Margall) or organically; it could not establish itself satisfactorily, either on theoretical or practical grounds, as a transition toward the integral state. The case of Brazil, which has been following a

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reverse process, has geographical and historical reasons so clear that they do not contradict what has been said. As for Austria, it is not a parallel case, because it did not begin as a real unitary state but as a federation under the imperial crown of different territories possessing separate organs, a fact which was merely accentuated on the advent of the Republic. In this connection I may point out that in spite of the use of the word federal in Article 2 of its Constitution, Austria is really less "federal" than is Spain under the Constitution drawn up by us, as will be seen by comparing Articles 14, 15 and 16 with the corresponding articles of the Austrian Constitution.

The substitution of the integral synthesis of the state for the old antithesis was the wise aim of Preuss; his intention could not be fully realized, but progress has been made in that direction ever since the German Constitution was adopted. The method has been to diminish the remnants of the sovereignty belonging to the federated states until full political and administrative autonomy had been substituted therefor, and on the other hand to emphasize the administrative decentralization of the Prussian provinces until that decentralization amounted in practice to political and administrative autonomy. Out of this process was to emerge a single integral state, the German state, as well as autonomous territories corresponding to the old states or their descendants, plus the Prussian provinces. This purpose was not completely achieved, but such progress was made that today one can legitimately ask whether the German state is federal or not; and secondly, whether the crisis through which both the federal and the unitary state are passing is not to be surmounted, as Preuss indicated, by means of the integral state.

In our case the integral state has an advantage over the unitary state in that it is compatible with different grades of regional autonomy. And, compared with the federal state, it has the advantage that, without losing its own character, it permits the existence of other territories, bound together by close administrative and political ties (yet without impairing the various possible degrees of administrative decentralization), side by side with other regions which may desire and are empowered to assume functions of self-government in varying degree — all without imposing a uniform relationship between the state and its various kinds of territory.

That is what our Constitution offers. Articles 15, 16 and 20 are clearly opposed to the unified state; Articles 14 and 18 do not

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admit of federalism; and Articles 17, 19 and 21 obviously proclaim the integral system. The Constitution has left open for parliamentary discussion the charters of regions which aspire to autonomy. The Catalan charter has been discussed and voted upon by the people of Catalonia. A special commission of deputies, under the chairmanship of Don Luis Bello, has investigated the matter and now the Cortes is quietly discussing it, undisturbed by clamor in the street.

Whatever reform may eventually be adopted by the Chamber will, I am certain, put an end to a problem which was poisoning the soul of Spain. When Catalonia enjoys self-government a great sentimental wound will be healed. Harmony will be established between the state and the various regions, and the general public will be able to look ahead more serenely.

VI. PUBLIC INSTRUCTION

In its effort to lay proper foundations for the future the Spanish Republic has given profound thought to the subject of education. The monarchy, aiming to keep its subjects in bondage, fostered ignorance. The funds allocated to public instruction were incredibly meager. The entire system of Spanish education had obviously to be reconstructed from top to bottom; but the most urgent need was for wider and better elementary instruction.

At the fall of the monarchy 50 percent of the Spanish people were illiterate. More than one million children had no schools. In Madrid alone 45,000 children were receiving no education. Between 1908 and 1930 the monarchy built 11,128 schools, making a total of 35,716 schools in Spain. In one year the Republic has built 7,000 schools, and in the next four years will add 20,000 more.

Not only have new school teachers been added to care for the 7,000 new schools, but the wages of former teachers have been increased. For example, there were 5,033 teachers who received 2,000 pesetas a year, and 1,800 who received 2,500. The Republic could not tolerate such starvation wages. In July 1931 all were raised to 3,000 pesetas. In all, 21,516 teachers have been given higher wages. In this period of intense economic difficulty the Republic is proud of the fact that in one year it has improved the material conditions of such a number of teachers. There has never been anything approaching this in our history or in the history of any other people.

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VII. SOCIAL AND AGRARIAN PROBLEMS

When he assumed his portfolio as Minister of Labor, Don Francisco Largó Caballero was obliged to dictate several urgent measures. The first of these, dated April 22, 1931, declared May 1 a national holiday and proclaimed the ratification of the Washington Convention relating to the eight-hour day. This historic event was followed by various other emergency rulings: the extension to agricultural laborers and longshoremen of the benefits of social legislation, formerly confined to industrial workers; the organization of mixed agrarian juries; the creation of the mixed Commission of Agricultural Arbitration; the inauguration of collective leases; the inauguration of compulsory maternal insurance; the granting of loans to small landowners and farmers for harvesting purposes; the creation of the *Patronato de policia social inmobiliaria del Estado;* the abolition of the allotment of farm laborers; the creation of mixed juries in railroad cases.

Once these urgent measures had been adopted we could begin the real work of planning a general social policy. This policy was summed up in seven projects of law, covering labor contracts, mixed juries in labor cases, national employment agencies, the reorganization of the Ministry of Labor, professional associations, workers' control, and, finally, a decree relating to coöperatives. Six of these seven measures have already been converted into law. Still under discussion is the measure relating to workers' control and a measure inaugurating industrial accident insurance. The bill providing for the latter, already approved by the Labor Council, establishes an annuity instead of the compensation previously paid to those incapacitated. This annuity may amount to 50 percent of the wages earned by the worker prior to the accident. This figure is one of the highest granted by any legislation in the world.

The key to the policy adopted by the Minister of Labor will be found in the Contract Labor Bill, governing the relations between employer and employe. Most countries still lack a satisfactory law on this subject. Even Germany, the pioneer in industrial legislation, has not yet found it possible actually to turn into law the excellent project which has been elaborated. The Spanish law confers innumerable advantages upon the working class, as it gives legal status to the agreements reached by mixed juries of employers and employes. A few days before the parlia-

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mentary recess, the Cortes authorized the ratification of fourteen agreements of the International Labor Organization, the most important being that relating to health insurance.

I now turn to the subject of agrarian reform. Since the World War a number of countries in Europe and America have carried out agrarian reforms. In some cases they have been forced to do so by the economic crisis, in others by social conflicts or by revolutionary movements.

The monarchy denied our working class all possibility of realizing agrarian reforms. When finally we compelled the last of the Bourbon dynasty to cross the frontiers of Spain, our poverty-stricken rural workers renewed their traditional demand for land to be exploited by themselves. The Republic recognized this demand as one of the purest of social desires, and that its fulfilment would give new security of employment to the peasant masses. On May 21, 1931, the Government proceeded to provide the legal and economic bases of agrarian reform in Spain, or rather, of that part of the reform dealing with concentrated property. This was of the utmost urgency, in view of the grave unemployment crisis in the south of Spain.

The agrarian reform bill which is now being discussed in the Chamber is of immense interest to the Spanish rural proletariat, not only because it tends to put an end to the political and social abuses which blocked the road to progress, impoverished the national economy and pauperized the working class, but because it proceeds to the immediate redemption of communal property. Nor does it confine itself to coming to the defense of tenants impoverished by the avarice of their landlords and deterred from improving their land because the improvements would never be recognized as theirs; it completes the great enterprise of liberating the Spanish countryside by reducing the Galician leaseholders and the Catalan *rabassaires*. Despite the colossal scope of the bill it will not of itself solve all our land problems. It will have to be supplemented by a law governing small holdings, so that they may be concentrated in such a way that the small farmer can enjoy the benefits of agricultural machinery; and by a tax law which will fall most heavily on medium and large landowners and less on small owners. Another bill should promote the intensive development of agricultural coöperative societies, which have produced such excellent results in other countries. And there also is a need for rural housing.

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VIII. JUSTICE AND LEGISLATION

One of the first steps of the Spanish Republic was to reform the courts of justice, in accordance with the plan for new political, administrative penal and civil laws. This is the object of the bills reforming the jury law and establishing emergency tribunals to protect citizens against attacks upon their personal and political rights.

In order to give our future legislation the benefit of technical advice and unified planning, the government on May 6, 1931, created the *Comisión Jurídica Asesora*. Its first chairman was Don Angel Ossorio y Gallardo; he was followed by Don Felipe Sanchez Román, who served until the middle of December last, when he was succeeded by myself. The work of this Commission is laborious. At the present time its principal task is to draw up complementary laws to the Constitution. It first drafted the divorce law, which the Cortes then debated and approved. Another of its earlier undertakings was the preliminary draft for the reform of the Penal Code of 1870, so that it might function *ad interim* while an entirely new Penal Code is being prepared. The Commission has likewise drafted and presented to the Minister of Justice preliminary bills concerning the election of the president of the Supreme Court. Similarly, we have drafted an electoral law, based on the system of proportional representation. At the present moment the Commission is putting final touches on the law for the appointment and promotion of judges and magistrates, and is about to finish the preliminary draft of the marriage law. There still remains an immense amount of work, which will be accomplished as speedily as possible.

CONCLUSION

All this has been done by the Spanish Republic in 365 days. All this, and something more. Spain has entered upon a new psychological era — an era of peace and hope. If a less modern nation had achieved in twelve months such rapid progress in its political, military, religious, regional, cultural, social, agrarian and judicial reforms, it would be filled with dangerous pride. For much less, other countries have become inflamed with imperialistic dreams. But we are a sober and peaceful race. We are content with the reconstruction of Spain and the preparation of her splendid future.

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THE MEMOIRS OF VISCOUNT ISHII

By Roland S. Morris

GAIKO YOROKU. By Viscount Ishii. Tokyo: Iwanami Shoten, 1930, 526 pp.

IN THE spring of 1917 the Japanese Government announced that Viscount Ishii would be the chief of a Special Japanese Mission to the United States. The announcement caused considerable surprise in Washington because, although Ishii had already made a brilliant name for himself in the Japanese diplomatic service, he had not been closely associated with American affairs. As Secretary of the Japanese Embassy in Paris for many years, as Director of the Bureau of Commercial Affairs in the Foreign Office, and as Japanese Ambassador to France from 1912 to 1915, his outlook had been distinctly European rather than American.

There are four general groups in the Japanese Foreign Service, depending largely upon where its members have been educated and what languages they command. There is the American group, composed of those who as young men have studied in the United States, graduated from American universities and acquired a vocabulary rich in American slang; there is the British group, the product of a strictly English education; there is the continental European group, whose language is French; and, most important of all, there is the group composed of those scholars in the Service who have directed their efforts toward a better understanding of the Chinese language and of Chinese literature and psychology. It is not difficult to decide in which of these four general groups to place Viscount Ishii. He was distinctly the Japanese diplomat with a continental European outlook; and it was natural — inevitable almost — that he should be called home from Paris to guide Japanese foreign policy during the critical years of 1915 and 1916 and to show the way through the bewildering clash of forces let loose in Europe by the Great War.

When the United States declared war on Germany, Viscount Ishii was among the first Japanese to appreciate the full significance of that act and the necessity it would impose on Japan to undertake a radical readjustment of its war policy. It was as a means to this end that the Special Mission to the United States was

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created and Viscount Ishii was chosen as its chief. Ten years before he had paid a hurried visit to the United States to investigate the anti-Japanese movement in San Francisco, but except on that one occasion he had had almost no contact with American life. His success was all the more remarkable. To those of us who first met him in that hectic summer of 1917, it was apparent that he was a cultivated gentleman of rare personal charm, whose mental processes seemed more European than oriental. His approach to diplomatic problems was realistic and rigidly logical, suggestive of the French rather than the English tradition. The results of his extended conferences with President Wilson and Secretary Lansing were embodied in an Exchange of Notes (commonly referred to as the Lansing-Ishii Agreement) which recognized Japan's "special interests" in China, due to "territorial propinquity." This informal agreement, indicating a more generous attitude of the American Government toward Japanese aims and ambitions in China, was received by the Japanese people as a distinct diplomatic victory, giving Japan a relative freedom of action in further developing her special interests in Southern Manchuria.

Viscount Ishii returned home to receive the enthusiastic congratulations of his colleagues in the Foreign Office and the most prized of all honors, a word of appreciation from the Emperor for substantial services to his country. In addition, as a recognition of the singularly favorable effect which his personality had made in America, he was promptly returned as Japanese Ambassador to the United States. His term of service in this new capacity, which offered so much hope for a better understanding between America and Japan, was abruptly terminated by an unfortunate incident, not significant in itself, but which so touched his very delicate sense of fitness that he felt impelled to tender his resignation and once more return home.

Viscount Ishii was too valuable a public servant, however, to remain long inactive. He went back to Paris as Ambassador, and from that vantage point, strengthened by his close official connection with the League of Nations, he guided the course of Japanese diplomacy in Europe for almost a decade. Then, true to the traditions of his race, while still not an old man as we westerners view age, he retired from active public life to the quiet of his library and the peaceful beauty of his garden where he might undisturbed rearrange in his mind the vivid experiences of

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forty years and properly evaluate the tremendously significant events in which he had played no minor part. Had he been completely oriental, our study of Viscount Ishii might have ended here. The noiseless closing of the *shoji* which barred the outer world might have remained the symbol of the unbroken quiet of his meditations. But something of the articulate and expansive spirit of western civilization seems to have entered deep into his soul, and in spite of his inherited reserve he was inspired to share with his fellow-countrymen the memories of his life and the considered conclusions of his thinking. These he has gathered together in a volume entitled "Gaiko Yoroku" — "Diplomatic Recollections." The volume as a whole has not yet been translated, but certain portions dealing with Japan's special interests in China and the negotiations of the Lansing-Ishii Agreement have seemed to deserve special translation, disclosing as they do to us of the western world the views of a cultivated, high-minded and absolutely sincere Japanese statesman. There is no suggestion in these pages of propaganda designed for western consumption, but rather a realistic discussion of one of the most difficult problems in the entire field of Far Eastern affairs. Anyone who wishes to glimpse the reactions of the really thoughtful men of Japan to the challenge of changing China can do it here. That is why the following brief summary is submitted to the readers of FOREIGN AFFAIRS.

Viscount Ishii points out that the first mention in an international public document of Japan's special interests in China was in the Anglo-Japanese Treaty of January 30, 1902. In other words, the first foreign Power which openly recognized Japan's special interests in China was Great Britain. The process was carried further through the conclusion of the Franco-Japanese Treaty (June 10, 1907) and the Russo-Japanese Treaty (July 30, 1907), which recognized Japan's special interests in China either in writing or by suggestion. Thus of the Great Powers which have important interests in the Far East only Germany and the United States remained. The World War intervened before there had been any chance for negotiation with Germany. But an opportunity to negotiate with the United States seemed at last to be offered in connection with the dispatch of the Japanese Special Mission in 1917. Viscount Ishii states the purpose of the Mission as follows: "My immediate mission was, like that of Lord Balfour of Great Britain and M. Viviani of France, to express appreciation

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and congratulations for the entrance of the United States into the World War on the side of the Allies. In the case of the British and French War Missions, their ends were attained when they had presented greetings to the United States Government, visited Washington's tomb at Mount Vernon, and gone on a tour of cities, delivering encouraging speeches. But the Japanese Government desired to take this occasion to attempt an exchange of frank opinions between American and Japanese responsible persons regarding the Chinese situation and to make some headway toward understanding."

But even so modest a program as "some headway" was rather difficult to launch. "In the meanwhile, as I met the President, various government officials, Senators and Representatives, and other notables, I discovered that, while the Secretaries of War and Navy were exceedingly busy, President Wilson and Secretary of State Lansing were not so preoccupied, and I felt encouraged as to the possibilities of exchanging views." A casual conversation with President Wilson unexpectedly opened the way. The report of this conversation is most interesting. "First of all, as I met the President and casually touched upon the Chinese question, President Wilson declared that the United States had no other desire as long as the principle of the Open Door and equal opportunity was faithfully carried out in China. The fact that the Powers maintain their position in China by establishing so-called spheres of influence in various quarters of China is a menace to that principle and is regrettable. I thought that, if the President's attitude was no more than that, there was a possibility of further conversation and replied mildly: 'Your views are quite reasonable, yet the spheres of influence, as your honor knows, were first advocated by Russia and Germany in Manchuria and Shantung; and since they have expressed their agreement to the principle of the Open Door and equal opportunity, as proposed by the Secretary of State of your country, they will not dare to close the door or to nullify equal opportunity in earnest so far as trade and industry are concerned. If they were to take such steps it would be an obvious inconsistency, and it goes without saying that Japan, although she acquired a foothold in Manchuria as a result of the Russo-Japanese War, as your honor knows, does not hesitate to defend the principle of the Open Door and equal opportunity.' I felt that this general conversation was interesting; perhaps the President also found that

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there was unexpected flexibility in Japan's viewpoint. The President expressed the hope that I would discuss the matter at length with Secretary Lansing, and we parted. The beginning was thus made for the American-Japanese negotiations concerning China."

Viscount Ishii recounts in great detail the course of his negotiations with Secretary Lansing. Commenting upon them he makes this illuminating statement: "As Mr. Lansing was pro-Chinese, due to his family connections, it is true that I felt some inconvenience and difficulty in discussing Chinese questions with him. As we mutually disclosed our thoughts a wide gap appeared between him and myself. From the beginning we had agreed to carry on our conversations frankly; the result was that argument often became heated, and many a time the likelihood of adjustment in the negotiations appeared dim. But then when I met him at the next meeting, after he had reported the day's conversation to the President, it was not unusual for me to find him miraculously softened and conceding. My supposition is that Mr. Wilson compared and studied the points of view put forward by Mr. Lansing and myself; and where he found that my contentions were reasonable, he, true to his character, must have accepted them without hesitation and made Mr. Lansing accept them. Therefore I always felt as if I were negotiating with President Wilson."

After much discussion and considerable delay the two governments reached an agreement and joined in the following declaration:

> The Governments of Japan and the United States recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous.
>
> The territorial sovereignty of China, nevertheless, remains unimpaired and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other Powers.
>
> The Governments of Japan and the United States deny that they have any purpose to infringe in any way the independence or territorial integrity of China and they declare, furthermore, that they always adhere to the principle of the so-called "Open Door" or equal opportunity for commerce and industry in China.
>
> Moreover, they mutually declare that they are opposed to the acquisition by any government of any special rights or privileges that would affect the

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independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China.

The significance of this declaration of policy centers on the phrase "special interests." Viscount Ishii has told us how these words originally appeared in Article I of the treaty providing for the First Anglo-Japanese Alliance. But even then the Japanese Government deemed them inadequate as a description of the peculiar relation which it felt then, and still feels, should be recognized as governing its policy in China. In the Washington negotiations of 1917 Viscount Ishii wished to make the phrase more definite and more accurate. He tells us with singular frankness about the diplomatic struggle over the finding of an acceptable wording.

He writes: "I returned to Washington after a week's visit to New York, and found when I called upon the President that his attitude had become more friendly. He complimented me by saying that my speeches in New York had served in no small degree to remove misunderstanding between the American and Japanese peoples. As I expected, Mr. Lansing's previous evasive attitude had somewhat changed, and he said that he felt as if he had reached an idea as a result of studying my daring proposition. He then asked me what phrase I proposed for a treaty text to describe my previous statement that Japan possesses interests superior to other Powers in China as a whole, especially in neighboring regions. When I replied that 'paramount interest' best describes Japan's interests in China, he immediately declared that the phrase had an extremely strong meaning; that any country which recognized that Japan had such interests would thereafter have blindly to accept Japan's activities in China, no matter what they might be; and that the United States Government could not possibly recognize such a phrase. In reply, I stated that I did not believe that there is such a strong meaning in the phrase 'paramount interest;' that it had been first used years ago by Secretary of State Seward, and that I thought Mr. Frelinghuysen had used it in describing American interests in Mexico. After explaining that I purposely used that language because my country's interests in China were not different from the interests of Mr. Lansing's country in Mexico, I added that even if his country possessed 'paramount interest' in Mexico it nevertheless was unthinkable that the principle of the Open Door

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in Mexico would be violated; and I reminded him of the fact that the foreign trade of other Powers in Mexico is actually carried on harmoniously under most-favored-nation treaties. The Secretary of State made no reply to this, but restated the impossibility of accepting this phrase because the President also entertained strong objections to it. Thereupon I stated that I was not insistent upon the phrase 'paramount interest' and that any other appropriate phrase would be acceptable. After prolonged negotiations I suggested substituting 'special interest and influence' for the words 'paramount interest;' but Secretary Lansing still found some difficulty with that, and finally we arrived at the compromise of adopting 'special interests,' leaving out the words 'and influence.' While the phrase 'paramount interest' is of American origin, I assume that the United States authorities suspected some dangerous element in it because Article III of the Treaty for the Second Anglo-Japanese Alliance contained an expression 'Japan having paramount political, military and economic interests in Korea,' and because later Korea was annexed to Japan. If such a suspicion existed the determined nature of Mr. Lansing's objection is understandable. That the apprehension is imaginary there is no denying, but it is not unreasonable. Also, the phrase 'special interests' was used in Article I of the Treaty for the First Anglo-Japanese Alliance to describe both Great Britain's and Japan's interests in China, hence there was no reason for our country to oppose it. In short, it can be said that we reached the destined conclusion."

The phrase was agreed upon. One is constrained to ask what it actually means to thoughtful leaders in Japan. Viscount Ishii faces the question with commendable realism and answers it simply and definitely. His answer deserves to be quoted in full:

"If then anyone asks me what is the nature of what I call special interests, and why Japan possesses such interests in China, I shall reply as follows, with a slight addition to what I had personally laid before Mr. Lansing in the course of the negotiations for the American-Japanese Joint Declaration:

"Imagine an occasion when there is danger to the lives and property of natives and foreigners as a result of natural catastrophies in China —

"Imagine an occasion when the lives of natives and foreigners are in peril as a result of the prevalence of epidemics in China —

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"Imagine an occasion when there arises in China a civil war which cannot be quelled —

"Imagine an occasion when China is flooded with dangerous propaganda (*kiken shiso*) and there is fear of its spreading abroad —

"On an occasion like one of the foregoing, how will the governments and peoples of various European and American countries handle the situation? And what must Japanese residents in China and the Japanese Government itself do to meet them?

"If we can set aside as a separate question the humanitarian need of relieving a calamity which has befallen a friendly nation, it may be thought enough that in circumstances such as I have described European and American residents, if no other way is open, shall sell their properties and flee from China. But the Japanese Government and Japanese residents in China alone of all those concerned cannot be satisfied with such a simple procedure. When natural catastrophes destroy the soil of China, when epidemics prevail in China and the roadsides are littered with victims, when China becomes absorbed in a semi-permanent state of civil war, or when China becomes the nest of Bolshevism, European and American countries do not have to fear that any danger directly threatens their existence. Japan, on the other hand, cannot exist without China, and the Japanese people cannot maintain themselves without the Chinese people. Civil disturbances arising in China or epidemics and heresies prevalent in China will readily pass over to Japan and will not stop until they afflict and victimize Japan along with China. This is the foundation of the special interests which Japan possesses in China; it is what I call inseparably mutual intimacy of relationship. It is a providential relationship (*tenbu no kankei*) resulting from geographical conditions, and it is an immovable fact from which Japan cannot escape no matter how she tries and which Europe or America cannot possibly attempt to destroy or to change.

"Let us examine the natural consequences of this providential fact. We at once note that in preparing to cope with natural catastrophes in China by instituting public works and controlling water power, in preventing the outbreak of epidemics there by improving public health, in suppressing popular unrest by wisely advising the government, and in guarding against the intrusion of heresies into China by upbuilding culture, the countries of

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Europe and America can give aid to China from the standpoint of, or within the limit of, the general interest of world civilization. But Japan, and Japan alone, finds herself in a position which makes it necessary for her to offer every sort of aid, not only from the standpoint of the general interest, but also from the point of view of self-defense. The more intimate and the deeper are Japan's interests toward China in comparison with those of Europe and America, the heavier must be Japan's responsibility concerning China's problems and consequently the broader and greater her right to speak. These we call Japan's special interests in China."

Unfortunately, as the Viscount points out, agreement on the phrase did not carry in this instance agreement on the content — such are the pitfalls of language! Having told us what "special interests" meant to him, he then refers to Secretary Lansing's testimony before the Committee on Foreign Relations when the Secretary explained how he interpreted the same phrase. He describes it as follows:

"In answering questions at a meeting of the Senate Foreign Relations Committee on August 1, 1919, Secretary of State Lansing gave, in substance, the following explanation. He said that the nature of Japan's 'special interests' in China as the term is used in the Ishii Agreement is not political.[1] He said that Count Ishii also understood that the phrase 'special interests' alone did not embrace political meaning, as may be seen from the fact that Count Ishii first suggested the phrase 'paramount interest' and that, when that was refused, he suggested the phrase 'special interests and influence.'[2]

"What a most surprising explanation! Before examining the truth or falsity of this explanation, it is necessary to bear in mind that Mr. Lansing's above explanation was made in the Senate Foreign Relations Committee in answer to mocking (*choro-teki*) questions of Mr. Borah and other Republican members about why the Democratic Administration had conceded the recognition of special interests to the Japanese Government, and about Viscount Ishii's possible inveiglement (*roraku*) of the Secretary of State — in short, under circumstances which compelled Mr. Lansing to adopt an interpretation which gave as insignificant a meaning as possible to the special interests supposed to have been conceded by the United States Government."

[1] U. S. Senate, Foreign Relations Committee Proceedings, VII, p. 223.

[2] *Ibid*, p. 233.

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To Viscount Ishii the abolition of the American-Japanese Joint Declaration, on April 14, 1923, came as a severe blow. As so often happens, what had appeared to him as a complete meeting of minds on a vital question of policy in the Far East turned out merely to accentuate a difference of view, and an agreement on words only served for the moment to conceal a wide disagreement in substance. But our Japanese realist firmly stands his ground. Agreements or no agreements, facts remain.

Let us close this survey with the Viscount's own vigorous — almost passionate — conclusion: "In the American-Japanese Joint Declaration are stated: first, Japan's special interests in China; second, China's territorial integrity; and third, the principle of the Open Door and equal opportunity for commerce and industry in China. It is improbable that the abrogation of the Agreement also means the abolition of the above three things. From the standpoint of the United States, the second and third declarations were originally proposed by Secretary of State Hay, under a Republican Administration, in 1899. Since that time they have become the axis around which has revolved that country's diplomatic relations with China. From Japan's standpoint, also, as she had agreed upon them not only with the United States but also with the Governments of Great Britain, France and Russia, it is not possible that they should be subject to abolition by the United States and Japan alone. Moreover, by their own nature they must not be abolished. In sum, then, the abrogation must mean the abolition of only the first declaration, namely, Japan's special interests in China as recognized by the United States Government. But the phrase Japan's special interests in China, as I have repeatedly stated above, merely described the actual conditions resulting from natural topography: those interests were not the gift of the United States. Mr. Lansing and I merely filled, so to say, the rôles of photographers. Even if we destroy the positive print because the finished photograph does not suit the taste of present-day Americans, the negative still remains. If we destroy even the negative, what can we do when the material object still remains? I say again: Japan's special interests in China from the beginning did not require the recognition of other countries. But an unnecessary recognition is at times advantageous. The recognition of our special interests by the United States belongs precisely to that category. It is foolish to count the ages of dead children, but the special interests which Japan possesses

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in China are not dead children. Even if the Lansing-Ishii Agreement is abolished, Japan's special interests in China remain there unshaken. The special interests which Japan possesses in China neither were created by an international agreement nor can they become the object of abolition."

We must hope that the example which Viscount Ishii has set in writing his diplomatic recollections will be widely followed by others of his generation in Japan, and by their successors. We can know national thought and aspiration only as it finds expression in the creative act of the individuals who compose and direct the nation. It is the mind that creates objectives and inspires men to action. We often forget that words are but symbols and that it is necessary to peer beyond the symbol to the reality. Viscount Ishii has afforded a glimpse of the mind of Japan as it ponders on the problem of its future relationship to that historic civilization which is China. If we in America can understand, we are on the right way to help.

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AMERICAN INTERESTS AT LAUSANNE

By William O. Scroggs

ALTHOUGH the United States Government is not represented at the international conference scheduled to meet at Lausanne to discuss reparations and other questions connected with the world-wide economic crisis, its financial interests may be greatly affected by the outcome of that meeting. As the United States is not a signatory of the Young Plan and is not legally concerned with reparations, it was not invited to participate in the Lausanne Conference, and when the meeting was first proposed, Mr. Ogden L. Mills, then Under Secretary of the Treasury, stated that an invitation to send a representative would be declined.

In spite of its legal detachment, however, the United States has a large stake in the matters scheduled to come before the conference. It does not receive reparations directly, but it is a creditor of most of the governments which do so, and over 50 percent of the payments made by Germany finally reach the Federal Treasury. Any modification of the German payments by the Lausanne Conference, therefore, will have a direct bearing on the ability of the debtor nations to continue their scheduled payments to the American Government. The conference is of additional interest because of the fact that it meets only two weeks before the expiration of the Hoover moratorium, and when the future of all international debt payments is uncertain.

During the past year sixteen nations have shared in the benefits of this postponement of debt payments, and the American Government has deferred the receipt from them of $252,566,803 in interest and in amortization of principal. The relief which they have thus obtained from the United States during the fiscal year 1931–32 and the amounts which they are scheduled to pay in 1932–33 are indicated in the following table (in dollars):

Country	*Postponed, 1931–32*	*Payable, 1932–33*
Austria	287,556	287,556
Belgium	7,950,000	8,450,000
Czechoslovakia	3,000,000	3,000,000
Estonia	600,372	640,692
Finland	312,295	334,827
France	50,000,000	60,000,000
Great Britain	159,520,000	171,500,000
Greece	1,109,080	1,149,300
Hungary	69,342	68,989
Italy	14,706,125	14,790,875
Latvia	250,653	267,813
Lithuania	224,545	224,477
Poland	7,486,835	7,987,042
Rumania	800,000	1,000,000
Jugoslavia	250,000	275,000
Total	246,566,803	269,976,571
Germany, army costs	6,000,000	6,000,000
Grand total	252,566,803	275,976,571

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Under the terms of the moratorium agreement with the United States, the debtor nations[1] are to repay the postponed amounts in ten equal yearly instalments, with interest at 4 percent. The first payment will fall due in the fiscal year beginning July 1, 1933. Hence, if there is no extension of the moratorium at its expiration on July 1, 1932, the debtor nations will be under obligation to pay to the United States in the ensuing twelve months only the amounts called for in the schedules of their debt agreements. For most countries the scheduled payments for 1932–33 are slightly larger than the postponed annuities of 1931–32, and the advocates of debt revision have maintained that if the debtor nations were unable to pay $252,000,000 during 1931–32 they will be even less able to pay the $275,000,000 due in the ensuing year because of the continued economic deterioration after the moratorium became effective.

At the same time it is clear that an extension of the moratorium for another year would create a new problem when payments were eventually resumed. Even without an extension, the debtors under the existing arrangement would be required to pay not only the scheduled annuities after July 1, 1933, but an additional $25,000,000 for the next ten years (one-tenth of the postponed payments of 1931–32), plus interest on the instalments still to be paid. For the first year this interest would amount, in round numbers, to $10,000,000, and would gradually decline thereafter as the arrears of the postponed annuity were reduced. In case the moratorium should be extended for a year on the same terms, these extra payments after its expiration would be somewhat more than doubled.

The same principle applies to the payments by Germany to her creditors. The moratorium relieved Germany of payments in 1931–32 amounting in round numbers to $400,000,000. Under the Young Plan and the special agreements with Belgium and the United States, Germany is scheduled to pay $419,000,000 in 1932–33 and $438,000,000 in 1933–34.[2] Her resumption of payments at the expiration of the Hoover moratorium would increase her annuities for ten years beginning July 1, 1933, by $40,000,000, plus interest at 3 percent on the deferred payments still outstanding.

The question of immediate concern facing the Lausanne Conference is whether full payment can be resumed by Germany on the expiration of the moratorium. In the event of no renewal or extension, the schedule calls upon Germany to resume her monthly payments on July 15. Payments by the debtor governments to the United States, however, are made only twice a year, and the next payment, in case of no further extension, will not fall due until December.

The ability of Germany to meet her reparation obligations has already been passed upon by one group of experts. Late in 1931 Germany applied to the Bank for International Settlements for the appointment of a special advisory committee under the provisions of the Young Plan to investigate her capacity to pay. The committee met at Basle on December 7, and on December 23 it submitted a report declaring that in its opinion Germany would not be able

[1] Only eight of these countries are recipients of German reparations, but these contribute over 95 percent of the total payments to the United States. The American receipts which do not come indirectly from Germany are of slight importance.

[2] In addition to reparations proper, Belgium is scheduled to receive special payments over thirty-seven years in settlement of a claim resulting from the circulation and withdrawal of marks by Germany during her war-time occupation of Belgium.

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to resume the payment of the postponable portion of her annuities in July, 1932. But the committee did not stop with this. It also urged that the adjustment of reparations and other war debts "to the existing troubled situation of the world" should take place without delay "if new disasters are to be avoided," and it appealed to the governments concerned to permit "no delay in coming to a decision which will bring an amelioration of this grave crisis." Out of this appeal came the Lausanne Conference, called first for January 18, but postponed because of political considerations until within two weeks of the expiration of the moratorium.

Meantime the American Congress, in ratifying the year's postponement of payments on the debts of foreign governments, has formally recorded its opposition to any reduction or cancellation of these obligations. And in a note to M. Claudel, the French Ambassador, Secretary of State Stimson has gone further and declared that a demand for a new moratorium could not obtain the approval of Congress. This, of course, does not debar the debtor governments from utilizing, individually and on their own initiative, the postponement clauses in their debt agreements with the United States.[3]

Such is the general situation confronting the Lausanne Conference as it assembles at the eleventh hour of the moratorium.

[3] For most countries these postponements apply only to the principal of the debts. The German Government also has the right to postpone payment of conditional reparations. For all governments the postponement is limited to two years.

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THE SOUTH SEA ISLANDS UNDER JAPANESE MANDATE

By Walter B. Harris

IN 1899 the Spanish Government, deprived of the Philippine Islands and Guam by the terms of the treaty of peace that followed the Spanish-American War, sold to Germany its remaining possessions in the Pacific — the Caroline and the Mariana archipelagoes. In 1920 the Council of the League of Nations charged the Japanese Government with a mandate over these and the Marshall groups, which since the opening of the World War had been occupied by a Japanese defense force. In 1921–22 the Japanese garrison was withdrawn and the control passed into the hands of a civil Japanese administration known as "The South Seas Bureau," which continues in operation today.

The three archipelagoes — the Mariana, the Caroline and the Marshall — lie scattered over a vast expanse of ocean in the form of a triangle. The base is constituted by the Caroline and Marshall groups which, at a distance of only a few degrees from the equator, extend east and west for over 2,500 miles. The apex is the furthest removed of the Mariana group, 1,200 miles to the north. So remote is the situation of these islands, and so far are they apart, that the writer's journey from Japan to the three archipelagoes and on to Davao in the Philippine Islands necessitated a voyage of over 7,000 miles. Yet in all this ocean vastness the aggregate area of the land surface of the three groups, comprising 623 islands besides hundreds of smaller islets and reefs, is only 700 square miles.

It was in the sixteenth, seventeenth and eighteenth centuries that little by little these islands were discovered and reported. The first recorded navigator to penetrate these seas was the Portuguese Diego da Rocha, who sighted certain of the islands in 1526, the same year in which Magellan recorded the existence of Guam, Saipan and Tinian in the Mariana group. Two years later the Spaniard Saavedra visited and described one of the minor groups. The Palau Islands were added to the map by Villalobos in 1542, though Drake had previously seen Yap. In 1686 Lazeano penetrated further afield and gave to the southern archipelago the name that it still bears, "Las Islas Carolinas," after King Carol II of Spain. But the combined discoveries of these early navigators were limited and it was not till a survey was undertaken in 1824 by the French ship "La Coquille"—and four years later by the Russian corvette "Seniavine" — that precise knowledge was acquired as to their relative positions and importance.

The native population of the three archipelagoes — to which in more recent days the geographical title of Micronesia has been given — are no doubt the descendants of Malayans from the west and Polynesians from the east, with some Melanesian blood from the south, but there are marked distinctions between the inhabitants of the different groups. Two divisions are widely separated — the Chamorros and the Kanakas. The former, who number in all about 3,000, are reported to be the more intelligent. They are found in the Mariana group and in the island of Yap and Palau (Pelew) in the western Carolines.

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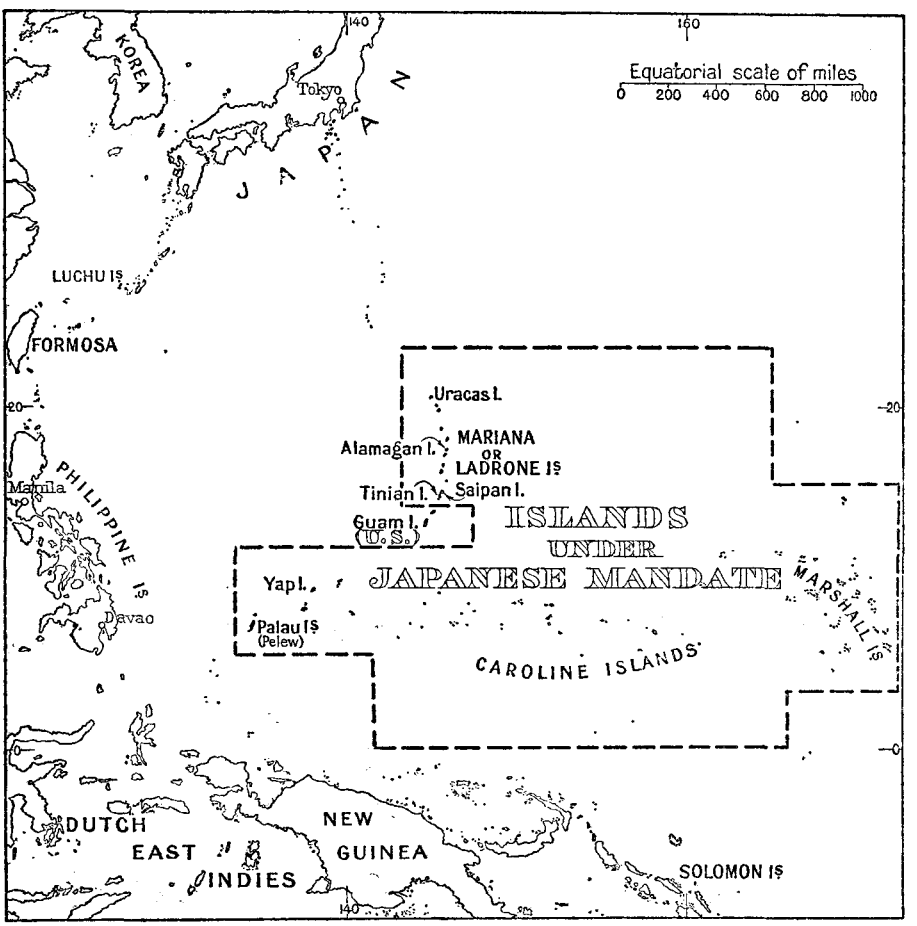
Their original home is said to have been Guam. The Japanese authorities report that while the Kanaka population remains stationary in numbers the Chamorros are increasing. The Kanakas are far more numerous, numbering about 45,000, but the name includes many different types of Pacific islander. In the western islands the trace of Malay origin is very evident while further east Polynesian characteristics predominate. To the south the type is more Melanesian. The Chamorros and Kanakas, although amicably disposed, live entirely



separate, the Chamorros considering themselves a superior and more civilized race. Many languages are spoken in the archipelagoes and often the dialects of islands of the same groups are so different as to be unintelligible to the neighbors. Today under the Japanese Mandate the Japanese language is being introduced as the inter-island tongue and is already known and spoken amongst the majority of the younger generation within reach of educational facilities. Unfortunately it is a difficult tongue to acquire.

The natives of the islands vary in character as they vary in appearance, but

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as a general statement they may be described as docile, law-abiding, thriftless and idle. Nature supplies them, at little or no cost and almost without effort on their part, with practically all that they require, for except near the settlements they wear little or no clothing while their food consists almost entirely of wild fruits and wild vegetables. A few seeds scattered broadcast generally produce a crop in excess of requirements, without cultivation or attention. The staple articles of diet are, however, the cocoanut and the bread fruit. The former flourishes in all the coral islands and along the coasts of the mountainous groups while the latter grows wild in profusion in the forests. To vary the menu the native has, almost at the sole effort of gathering them, the yam and taro, the banana and papaya. Fish there are in abundance, and pigs both wild and domestic. On some of the islands deer abound. For luxuries, easily obtained by barter, there are oranges and lemons, mangoes and pineapples. With such a choice of diet it is perhaps little wonder that the natives are disinclined to work. Such tasks as they will consent to engage in, are as a rule inefficiently performed and only undertaken intermittently. The period of employment is seldom prolonged and rarely lasts more than the time required to gain a specific sum for a specific purpose. The result is that native labor as a factor in the agricultural and industrial future of the islands will play a very insignificant part. Even as its best it is rated, both in efficiency and in wage, at less than half the value of imported Japanese labor. The only place where continuous native labor is employed — though even here the individual never contracts for more than one year's work — is at the phosphate mines in Angaur, where as many as 450 men are usually at work, of whom about 350 are natives.

The difficulty of obtaining local labor has led to the introduction of a large number of Japanese workers, the majority of them coming from the Luchu Islands which lie between southern Japan and Formosa. Although these are Japanese subjects they are in character and language more closely allied to the Chinese, with whom in the past they were intimately connected, and are described as being honest and hardworking but grasping and difficult to handle. They show a remarkable capacity for combination and in these South Sea islands they have already formed effective trade-unions. The Japanese of pure origin are as a rule reluctant to emigrate and form but a very small minority of the 18,000 subjects of Japan who have come and settled in the islands. The immigrants are for the most part employed in the cultivation of sugar-cane, or in the sugar refineries of Saipan and Tinian, or are engaged in the fishing industry. Thus they are not actually in competition with native labor, for the sugar and fishing industries have only recently been introduced. Nor was foreign labor engaged until native labor had proved to be inefficient even where and when procurable.

Were the problem of the future of 48,000 natives of the islands limited to their employment in industry it would not be one of a very serious importance, for industry is, and is likely to remain, very restricted. But the natives are at the same time the principal proprietors of the soil, that is to say the owners of the greater part of the surface area. Unfortunately they are as inefficient and as idle in their agricultural pursuits as they are in their other work, with the result that a great extent of the islands consists of uncleared and unproductive forest land. Such cocoanut plantations as they own are decreasing in value,

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owing to neglect and to the economic situation which renders barely remunerative the harvesting of the cocoanut and the preparation of copra. Meanwhile they are bringing no new land under cultivation so that the area of agricultural and productive property on the main islands is extremely small. Nor is there much inducement for the native to increase it. The forest land, which is mainly owned by individual natives, or by native communities, produces all, and more than, they require for their subsistence without any effort on their part. They have only to pluck the wild fruits and to carry them home. But besides its economic aspect the question presents another and more important consideration — its political and social significance. What is to be the future of these 48,000 natives?

By the existing law the proprietorship of native land cannot be transferred by purchase, or by any other means, to a foreigner — Japanese or other — though it can be disposed of amongst the natives themselves. Were this regulation to be repealed there is little doubt that the natives, thriftless, ignorant and careless, would be tempted to sell for a handful of silver their rights of possession and would in a very short period of time have spent the sum received, to find themselves without land and without money. By the existing laws the natives are permitted, with the consent of the Japanese authorities, to lease land to foreigners, but so incapable are the majority of them to safeguard their own interest that such leases are bound to result in abuses. In other countries where similar circumstances are found this system of direct lease between native and foreigner has proved very unsatisfactory. It would be infinitely preferable that the Government should become the tenant, on a long lease, of the native land and that the Government should sublet to the foreigner. The natives would thus be assured of a rental over a long period of time guaranteed and paid by the Government, which in turn would collect the rent from the foreigner. The abuses which otherwise are bound to ensue where the land is directly leased by the natives to the foreigner would be avoided. Owing to their dependence for subsistence on the wild fruit trees of the forest all leases should contain clauses to protect, in totality or in sufficient quantity, these necessary sources of supply. If the Japanese Government is unfortunate in that the 48,000 natives of the islands are idle, it can at least congratulate itself that a bountiful and beneficent nature supplies them with food.

In accepting a mandate over these islands the Japanese Government took upon itself a task of no little responsibility. Their remote situation and the distances that separate them — an average of over 400 miles in the case of the more important islands — renders administration complicated, arduous and expensive. Each small center requires the equipment and staff that would have sufficed for a much more extensive region. The life of the officials is one of exile, far removed from their homes and cut off from the world, without any compensating advantages. The climate is hot, damp and enervating, and there are few or no congenial occupations. Nor is there local encouragement, for the native is too indifferent to appreciate the excellent work that is being carried on for his benefit, and in certain islands, more especially Yap and the Palau group, he has set his face sternly against progress and civilization and adheres with tenacity to the customs and superstitions of his ancestors. Yet little is known abroad of Japan's self-imposed task, and it was with evident satisfaction

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that the Japanese local officials found an opportunity to point out to the writer during his six weeks' visit to the islands the results of so much excellent endeavor and efficiency. It is to their efforts that success is so largely due. The administration of justice, education, hygiene and sanitation, research work, and the moral and physical training of the young, have all received due consideration. The general principle underlying the civil law is that all cases shall be dealt with in conformity with local customs, unless contrary to public order or good morals. In criminal cases the law of Japan holds good. The law-abiding instincts of the people render the policing of the islands an easy task and the number of the police force is remarkably small — about 110 altogether. The men are enlisted from Japanese and native sources in the proportion of three Japanese to one native.

Free primary education is afforded to native children above the age of eight years. In places where it is necessary or advisable, the children are clothed and fed at government expense. Medical treatment is furnished. Although the difficulties of communication impede general education 45 percent of school-age children — between eight and fourteen — attend school, the total number of native pupils exceeding 2,500. Children from the smaller islands are received as boarders, and some 320 boys are being lodged, clothed and nourished. A certain amount of technical instruction is given, the subjects being carpentry, the forging of metal and other handicraft. There are also short-term classes in agriculture. The writer visited many of the schools, in which the teachers are trained Japanese instructors. One and all reported the native children to lack intelligence but to be willing to learn. During class the boys are neatly dressed in shorts and singlets, but in many places they discard their clothes immediately they leave the building and only don them again on their return.

In the mission schools the instruction given is principally on religious subjects. One or two have boarding-houses for boys, and food and clothing are supplied in special cases. Japanese is today being taught in a few of these mission schools — a necessary innovation in the interests of the children. Christian pupils attending the government schools, where there is no religious instruction, attend divinity classes at the missions of their respective churches. The mission schools are free of Japanese supervision but must comply with simple regulations as to registration and the furnishing of annual reports. The fact that the Christian missions in the islands receive substantial financial aid from the Japanese Government is sufficient proof of the liberty of conscience under the Japanese administration. An official declaration states that "the Japanese Government, considering that Christianity is the faith best suited to the natives" has charged the Congregational Church of Japan to undertake missionary work. At the same time the Japanese Catholic Church was encouraged to enter the mission field and since 1931 has been assisted by Spanish priests. The latest Japanese statistics available show that about 30,000 of the 48,000 natives profess Christianity, of whom over 16,000 are Catholics and over 13,000 Protestants. To minister to their spiritual needs there are nearly thirty missionaries, with native pastors and assistants. Several of the missions have been long established, that of the American Board of the Congregational Church for about eighty years.

There is no doubt that the native's knowledge and understanding of Chris-

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tianity is very small, though it is probably sufficient for his spiritual needs. When we take into account all the endeavor, sacrifice and care that has been expended by the estimable missionaries upon the education and moral welfare of the islanders it must be confessed that the material progress has been slow, in spite of the number of converts. It is certainly true that very few of the natives ever emerge from the state of undeveloped intelligence and moral irresponsibility that mark every phase of their existence, and Christianity, though fervently accepted and often hysterically practiced, seems more a continuation in a new and happier guise of earlier superstitions than a break with the past and the adoption of a new religion. It often takes but little to provoke in places of Christian worship the dancing that they have been taught to suppress as unseemly and heathenish in the forest. The native elders of the congregation have been known to demonstrate their faith by prancing round the church with wild gesticulations and uttering raucous cries, while the rest of the worshippers are struggling with one another in a state of almost frenzied riot. Long years of instruction have not sufficed to suppress the promiscuity that marks the relations of the sexes both within and without the bonds of matrimony. In some of the islands the native has adopted clothes — often a doubtful advantage. Under missionary guidance the womenkind were taken from their primitive semi-nudity and clothed in the most unbecoming of garments, resembling the homely nightgown depicted in the caricaturist's drawings of early Victorian days. It seems hard that if these island women are not permitted to introduce new styles of dress they should not at least be allowed to follow the evolution in the fashion of female night apparel in civilized countries, which I am told has in late years been remarkable.

In hygiene much has been accomplished, especially in the very important question of the supplies of drinking water. The introduction of galvanized iron roofs facilitates a clean supply, as the rainfall all over the archipelagoes is abundant. In many of the islands the inhabitants are entirely dependent on the rain for fresh water. Few of the more serious tropical diseases are known in the islands, their remoteness and inaccessibility having kept them free of infection. Malaria is non-existent owing to the absence of the malaria-carrying mosquito. Dysentery (amœbic) and frambœsia, dengue fever, hookworm and maladies due to intestinal parasites are common. Skin diseases are more temporarily disfiguring than serious. The prevalence of frambœsia has been diminished by treatment with salvarsan. Intestinal parasites affect 90 percent of the population and hookworm between 40 and 50 percent. Venereal disease is known but is not prevalent. Leprosy is rare and cases are as far as possible segregated. The public health of the inhabitants of the island of Yap causes the authorities considerable anxiety on account of the prevalence of tuberculosis. Every effort is being made to combat the malady, but with little success; and in 1929, 55 percent of the deaths amongst the inhabitants were due to tuberculosis in some form or other and 44 percent to tuberculosis of the lungs. The death rate from the disease is 30 per 1,000 — above the total death rate of civilized countries.

The South Sea islands of Micronesia vary much in formation and in appearance. Those of the Mariana group are mountainous with active volcanoes. In the Marshall archipelago, on the contrary, none of the islands rises more than a

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few feet above the level of the sea, being atolls of coral formation with a central lagoon surrounded by an encircling reef dotted with islands. The lagoon of Taluit is twenty-five miles in circumference. In these coral islands the vegetation is limited to trees and plants that will flourish in brackish water and support strong sea winds. The cocoanut palm predominates and is often the only source of food supply. The principal islands of the Caroline archipelago, with the exception of the Palau group, are of basalt formation and are densely forested, but round their shores and in their vicinity reefs and coral islands have sprung up, forming at places not only barriers that create sheltered anchorages but even separate and distinct clusters of islands. The Palau group, in the western Carolines, is of volcanic origin and the islands are remarkable for their broken coast line and for the number of small conical wooded islets clustered in the straits that separate them. Here again the land is forest-clad, but there is a much greater variety of vegetation than is found elsewhere and the scenery is very attractive. A coral reef encircles the group. In all the islands there is a very noticeable absence of animal and bird life. The wild boar and the wild goat are the descendants of domestic animals. Monkeys and snakes are unknown, and crocodiles are not found in any of the islands east of the Palau group. Birds ashore are few, and immense distances of sea are traversed without the sight of any variety of sea bird.

The writer's visit of six weeks' duration to the islands gave him an opportunity of appreciating the admirable work of the Japanese administration. The relations of the officials and the natives are satisfactory. The hospitals, which in several places are being enlarged or reconstructed, are well equipped and spotlessly clean. They are frequented and much appreciated. The schools are adequately organized and physical drill and games have become popular. But the impression that the observant traveller takes away with him is that the native races represented in the islands are of a very primitive order and often of a degraded type. They are, generally speaking, idle, sensual, unintelligent and slovenly — in short, essentially savages. Their enthusiasm seems capable of being awakened only by orgies of grotesque dancing accompanied by the disfigurement of the features and bodies by the application of crude coloring matter. The Christian natives who abandon some of their savagery find consolation in hysterical religious demonstration and in the singing of hymns. It is a vast improvement but the spirit is little changed. The natives have no past and will have no future. They are not decreasing in numbers and will continue to live just as they are living today — uselessly, loosely, but contentedly — giving little trouble to anyone and benefiting no one by their existence. Unconscious of the passage of time and indifferent to progress, they pluck and devour the wild fruits of the forest and continue the quite unnecessary propagation of their race.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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General International Relations

RECOVERY. THE SECOND EFFORT. By SIR ARTHUR SALTER. New York: Century, 1932, 353 pp. $3.00.

In this, one of the most important books of the quarter, Sir Arthur attacks the world crisis in the fundamentals. As director of the economic and financial section of the League and as secretary of the Reparation Commission he had rare opportunities to observe at first hand the movement of economic life and the evolution of government policies. Knowledge and breadth of view mark every page of his volume. Starting with the idea that the astonishing recovery of the world after the war was really fictitious, he sets himself to discover the mistakes made, and, firm in the conviction that the present crisis is not beyond the power of humanity to overcome, he offers concrete suggestions for corrective measures. The book should be read, not summarized.

INTERNATIONAL CHANGE AND INTERNATIONAL PEACE. By SIR JOHN F. FISHER. New York: Oxford University Press, 1932, 79 pp. $1.25.

An international lawyer frankly approaches the problem of how necessary changes can be brought about in the relations of nations without recourse to war.

IL MONDO FRA LA PACE ET LA GUERRA. By CARLO SCHANZER. Milan: Trèves, 1932, 398 pp. L. 30.

It is to be hoped that this volume, from the pen of an Italian statesman, will be translated into English. The author studies the evolution of the problem of war and peace, and adds an interesting chapter on Italian policy regarding disarmament.

YEARS OF TUMULT. By JAMES H. POWERS. New York: Norton, 1932, 345 pp. $3.00.

A survey of the course of events since the conclusion of the peace treaties.

WAR AGAIN TOMORROW. By LUDWIG BAUER. London: Faber, 1932, 314 pp. 7/6.

A pacifist's lugubrious view of the League, the Versailles settlement, Sovietism, Fascism, Americanism, and other matters. A critical work worth attention.

THE FINANCIAL AFTERMATH OF WAR. By SIR JOSIAH STAMP. New York: Scribners, 1932, 149 pp. $1.75.

A well-known financial expert describes briefly and in non-technical language the fundamentals of such problems as inflation, reparations, debts and the gold standard.

THE TRUTH ABOUT REPARATIONS AND WAR DEBTS. By DAVID LLOYD GEORGE. New York: Doubleday, Doran, 1932, 150 pp. $1.50.

In unadorned language the British statesman, himself one of the "Big Three" at Paris, gives his present opinion of a question which lies at the root of many of the world's woes. Apart from a review of the reparations problem since the signing of the peace, the book is a scathing indictment of French politicians for what he considers to be their fantastic views regarding German capacity to pay, and an equally unsparing criticism of the American attitude on the matter of inter-Allied debts. Mr. Lloyd George calls for the complete cancellation of obligations of both kinds, and demands in addition the revision of high tariffs and thoroughgoing disarmament. In America the book is

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bound to arouse much comment, for its frankness is mightily provocative. And, be it added, its author is in many quarters held responsible for some of the provisions of the treaty which he now most furiously attacks.

DE VERSAILLES AU PLAN YOUNG. By Jacques Seydoux. Paris: Plon, 1932, 332 pp. Fr. 36.

These collected writings of one of the most competent French financial experts may well be read by way of refutation of much that is said in Lloyd George's book.

BEHIND THE SCENES OF INTERNATIONAL FINANCE. By Paul Einzig. New York: Macmillan, 1931, 154 pp. $2.50.

The author charges selfish misuse of money power by the French Government.

LA LUTTE POUR LA SUPREMATIE FINANCIÈRE. By Pierre Coste. Paris: Payot, 1932, 224 pp. Fr. 20.

A fascinating review of the triangular struggle for control between the London, Paris and New York money markets.

WIRTSCHAFTSSTRATEGIE UND KRIEGSFÜHRUNG. By Adolf Caspary. Berlin: Mittler, 1932, 166 pp. M. 5.50.

Reviewing the history of wars since classic times, the author analyzes the economic aspects of the preparation, the conduct and the effects of international conflict.

DIE BANK FÜR INTERNATIONALEN ZAHLUNGSAUSGLEICH. By Hans L. Schlüter. Berlin: Rothschild, 1932, 423 pp. M. 18.

A scholarly study of the bank in all its aspects.

LA BANQUE DES RÈGLEMENTS INTERNATIONAUX. By Paul Krug. Paris: Rousseau, 1931, 298 pp. Fr. 50.

The author deals chiefly with the credit functions of the bank.

PROGRESS IN INTERNATIONAL ORGANIZATION. By Manley O. Hudson. Stanford: Stanford University Press, 1932, 171 pp. $1.50.

A brief but authoritative statement of the evolution and present status of organs for international coöperation, with stress on American contributions and obligations.

THE OUTLAWRY OF WAR. By Hans Wehberg. Washington: Carnegie Endowment, 1931, 161 pp. Free.

A translation of lectures delivered by a German international lawyer.

CONSTITUTIONAL DEVELOPMENT OF THE LEAGUE OF NATIONS. By Paul K. Walp. Lexington: University of Kentucky, 1931, 190 pp. $2.00.

A documented analysis of the relations between the Council of the League and the Assembly, as originally worked out and as modified in practice.

MUST THE LEAGUE FAIL? By L. A. Zimmern. London: Hopkinson, 1932, 96 pp. 2/6.

An outspoken criticism of the development of the League in the last half decade, and of the efforts of some governments to appropriate it to purposes of the old diplomacy.

DIE REISE NACH GENF. By Max Beer. Berlin: Fischer, 1932, 533 pp. M. 7.50.

The author, a German correspondent at Geneva, is, like Mrs. Zimmern, disappointed by signs of the steady encroachments of the old diplomacy. An interesting book.

FREDENSORGANISATION OCH MAKTPOLITIK. By Georg Landberg. Stockholm: Natur och Kultur, 1931, 190 pp.

Another volume stressing the constant conflict between the new ideas and the old.

LA SOCIÉTÉ DES NATIONS ET LA RÉVISION DES TRAITÉS. By Albert Wigniolle. Paris: Rousseau, 1932, 324 pp. Fr. 40.

A scholarly examination of the possibility of treaty revision under the Covenant.

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LA SOCIÉTÉ DES NATIONS ET LE RAPPROCHEMENT ÉCONOMIQUE INTERNATIONAL. By F. C. Van Woerden. The Hague: Nijhoff, 1932, 298 pp.

The writer stresses the possibilities of the League as an agent for smoothing out economic antagonisms.

TEN YEARS OF INTERNATIONAL JURISDICTION. Boston: The World Peace Foundation, 1932, 74 pp. $1.25.

A brief survey of the work of the Court, published on its tenth anniversary.

LA RÉVISION DES MANUELS SCOLAIRES. Paris: Institute for Intellectual Coöperation, 1932, 224 pp.

A report on the progress made to date in all countries towards the elimination from textbooks of matter likely to impede the growth of international good will.

LE CINÉMA ET LA PAIX. By Marcel Lapierre. Paris: Valois, 1932, 128 pp. Fr. 5.

The author emphasizes the part played, for good or ill, by the motion picture.

DU DROIT DE PAIX. By C. Van Vollenhoven. The Hague: Nijhoff, 1932, 251 pp.

An able attempt to restate the principles of international law as the law of peace rather than the law of war.

WORLD DISARMAMENT. By Denys P. Myers. Boston: The World Peace Foundation, 1932, 370 pp. $1.00.

This is a thoroughly reliable survey of the question in its historical evolution, together with a dispassionate discussion of the relation of disarmament to arbitration and security and a detailed analysis of the main aspects of the problems now up for discussion. The appendices contain pertinent documents and much statistical material, so that all the essentials are available between two covers.

DISARMAMENT AND SECURITY SINCE LOCARNO. By John W. Wheeler-Bennett. New York: Macmillan, 1932, 383 pp. $4.00.

A complete review of the twin problems since 1925. An excellent background study.

THEY THAT TAKE THE SWORD. By Esme Wingfield-Stratford. London: Routledge, 1932, 438 pp. 12/6.

An historical and philosophical critique of the use of force and a ruthless exposure of the ineptitude of the military mind.

COMMON SENSE ABOUT DISARMAMENT. By Victor Lefebure. London: Gollancz, 1932, 176 pp. 1/6.

More useful data on the problem, intended as a guide to the present discussions.

THE DRAGON'S TEETH. By Major-General J. F. C. Fuller. London: Constable, 1932, 337 pp. 10/.

A thought-provoking argument and plea for disarmament.

PEACE AND DISARMAMENT. By Leon Blum. London: Cape, 1932, 202 pp. 7/6.

The French original of this French socialist view has already been noted.

LA DÉFENSE NATIONALE ET SES CONDITIONS MODERNES. By Helle et Ache. Paris: Alcan, 1932, 125 pp. Fr. 10.

A brief reconsideration of the importance of such factors as geography, population, material resources, transportation, industry, etc., in determining security.

LE DÉSARMEMENT. By Leon Jouhaux. Paris: Alcan, 1932, 215 pp. Fr. 15.

A general survey of the problem, written by the secretary of the Conféderation Générale du Travail.

LES ARMEMENTS DE L'EUROPE. By L. Léontin. Paris: Delagrave, 1932, 128 pp. Fr. 10.

A statistical work.

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DE LA LIMITATION DES ARMEMENTS PAR LA MÉTHODE BUDGÉTAIRE. By Louis Perillier. Paris: Rousseau, 1932, 200 pp. Fr. 30.

The author has applied himself to a purely practical problem, namely the ways and means of limiting expenditure on national defense, as envisaged by the preparatory commission on disarmament, and more particularly to the question of establishing the actual figures of expenditure. The author has examined the system of accounting and publication of budgetary statistics in England, France, Germany and Italy. His conclusion is that, even though the methods employed in these countries differ, their systems are such that the truth cannot be camouflaged, and that full reliance can be placed upon this method of control.

ABRÜSTUNG UND SICHERHEIT. By Karl Schwendemann. Leipzig: Historisch-Politischer Verlag, 1932, 330 pp.

This is one of the best German books on the question. It includes not only an historical account but also a collection of pertinent documents.

THE POLITICS OF NAVAL DISARMAMENT. By Giovanni Engely. London: Williams and Norgate, 1932, 301 pp. 15/.

This volume, written by the London correspondent of *La Tribuna*, is a good general study of the disarmament question as it touches sea power. The author goes over the whole ground from the Washington Conference to the present, not neglecting the political negotiations that went on between the interested Powers outside the regular conferences. Though the exposition of the British view is a trifle weak, the handling of the Anglo-American problem is in general well-informed and fair. The treatment of the Franco-Italian problem is distinctly from the viewpoint of the Italian patriot.

L'ARMÉE NAVALE. By Charles Danielou. Paris: Figuière, 1932, 228 pp. Fr. 15.

A book that may profitably be read in connection with the preceding, as it gives a clear statement of the French position since the Washington Conference.

THE SUBMARINE IN WAR. By K. Mori. New York: Stechert, 1931, 185 pp. $3.50.

A reconsideration of this arm, with an analysis of the current law in respect to it.

LE DROIT INTERNATIONALE PUBLIC DE LA MER. By G. Gidel. Paris: Sirey, 1932, two volumes, Fr. 205.

The first two volumes of an exhaustive treatment, by an eminent authority.

LA GUERRE CHIMIQUE. By Lucien Leroux. Paris: Spes, 1932, 150 pp. Fr. 5.

A popular account of modern chemical warfare and its implications.

International Relations of the United States

THE UNITED STATES AND THE LEAGUE OF NATIONS, 1918–1920. By Denna F. Fleming. New York: Putnam, 1932, 568 pp. $5.00.

A useful contribution to the study of American foreign policy.

LA POLITICA ESTERA DEGLI STATI UNITI. By Romolo Tritonj. Rome: Nuova Europa, 1932, 310 pp.

This comes from the pen of the former Italian Consul-General in New York. There is nothing particularly novel about the material presented or about the author's viewpoint, but the book gives evidence of sound learning and is written throughout with fairness and understanding. It makes available to the Italian public a well-balanced account not only of the fundamentals of American policy but also of our special action in the Caribbean, in Latin America and in the Far East. There is also a good chapter on American relations with Italy.

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AMERICAN FOREIGN POLICY IN MEXICAN RELATIONS. By James M. Callahan. New York: Macmillan, 1932, 644 pp. $4.00.

A solid piece of historical research, based largely on the unpublished correspondence in the State Department.

THE INTERNATIONAL JOINT COMMISSION BETWEEN THE UNITED STATES OF AMERICA AND THE DOMINION OF CANADA. By C. J. Chacko. New York: Columbia University Press, 1932, 431 pp. $5.50.

A scholarly monograph on the organization and functioning of the commission which has handled boundary questions so efficiently during the past twenty years.

GEORGE P. HERRON AND THE EUROPEAN SETTLEMENT. By Mitchell P. Briggs. Stanford: Stanford University Press, 1932, 178 pp. $1.50.

This study of the activities of one of President Wilson's agents in Europe is based upon unpublished papers and constitutes an interesting addition to the history of World War diplomacy.

EUROPE AND OUR MONEY. By T. Lothrop Stoddard. New York: Macmillan, 1932, 266 pp. $2.25.

A telling attack upon the uncritical investment of American money in Europe.

OUR DEFENSES WITHIN AND WITHOUT. By Phelps Phelps. New York: Powers, 1932, 320 pp. $2.00.

A handy survey of the various branches of American defense.

THE NAVY: DEFENSE OR PORTENT? By Charles A. Beard. New York: Harper, 1932, 198 pp. $2.00.

An effective exposure of conditions and policies.

THE GREAT PACIFIC WAR. By Hector Bywater. Boston: Houghton, Mifflin, 1932, 321 pp. $2.50.

A reissue of a volume published seven years ago, but particularly apposite to the present Far Eastern crisis.

PHILIPPINE UNCERTAINTY. By Harry B. Hawes. New York: Century, 1932, 377 pp. $3.00.

The impressions of an American senator after a six weeks' investigation.

The World War

DIE INTERNATIONALEN BEZIEHUNGEN IM ZEITALTER DES IMPERIALISMUS. Edited by M. N. Pokrowski. Berlin: Reimar Hobbing, 1932, 355 pp. M. 38.50.

Volume IV of Series I of the great Russian publication of pre-war correspondence, covering the period from June 28, 1914, to July 22, 1914.

BRITISH DOCUMENTS ON THE ORIGINS OF THE WAR. Edited by G. P. Gooch and Harold Temperley. London: H. M. S. O., 1932, 917 pp. 17/6.

The seventh volume of the British official publication, devoted primarily to the Moroccan crisis of 1911.

NEUE WEGE ZUR KLÄRUNG DER KRIEGSSCHULD. By Adolf Heyrowsky. Berlin: Buchkunst, 1932, 218 pp. M. 5.

A former Austrian officer deals chiefly with the Sarajevo crime and the Austro-Serbian crisis, adducing some new material.

THE SPIRIT OF BRITISH POLICY AND THE MYTH OF THE ENCIRCLEMENT OF GERMANY. By Hermann Kantorowicz. New York: Oxford University Press, 1932, 541 pp. $4.75.

The German original of this defense of British policy has already been listed.

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L'ÉGLISE ET LA GUERRE. By André Lorulot. Paris: Lorulot, 1932, 180 pp. Fr. 10.

A French radical view of the policy of the Vatican, with special reference to relations with France and Austria.

HISTORJA ARMJI POLSKIEJ WE FRANJI. By W. Gasierowski. Warsaw: 1931, 405 pp.

The first volume of a history of the Polish forces in France, down to 1915.

ARMEE UND MARINE BEI DER EROBERUNG DER BALTISCHEN INSELN. By E. von Tschischwitz. Berlin: Eisenschmidt, 1931, 187 pp. M. 7.80.

A study of army and navy coöperation in the taking of the Baltic Islands in 1917.

L'AUTOMNE SERBE. By Marcel Dunan. Paris: Berger-Levrault, 1932, 272 pp. Fr. 12.

The Vienna correspondent of the *Temps* gives an eyewitness's account of the Serbian drama of 1915.

L'ARMÉE D'ORIENT DANS LA GUERRE MONDIALE. By Captain F. J. Deygas. Paris: Payot, 1932, 320 pp. Fr. 25.

A detailed account of campaigns and of the Eastern policy of the Allies.

LE DRAME ROUMAIN. By General Pétin. Paris: Payot, 1932, 160 pp. Fr. 16.

The best general study of the Rumanian débâcle, by a French corps commander.

L'ARMÉE D'ORIENT VUE À 15 ANS DE DISTANCE. Edited by Léon Savadjian. Paris: Revue des Balkans, 1932, Fr. 25.

A collection of essays by distinguished French commanders and statesmen, among them Briand, Painlevé, Franchet d'Esperey and Guillaumat.

LA PARTICIPATION DES ARMÉNIENS À LA GUERRE MONDIALE SUR LE FRONT CAUCASE. By General G. Korganoff. Paris: Geuthner, 1932, 210 pp. Fr. 12.

This monograph, on a little-known aspect of military operations, is particularly interesting for the account of events in the period after the withdrawal of the Russians.

DER HANDELSKRIEG MIT U-BOOTEN. By Admiral Arno Spindler. Berlin: Mittler, 1932, 269 pp. M. 8.75.

This is the first volume of a detailed account of the submarine war, and is part of the official history, "Der Krieg zur See."

SCAPA FLOW. A NAVAL RETROSPECT. By D. J. Munro. London: Low, 1932, 264 pp. 12/6.

The sinking of the German fleet reconsidered in the light of present knowledge.

Western Europe

L'EUROPE EN MORCEAUX. By Pierre Daye. Paris: Plon, 1932, Fr. 12.

A brief treatment of the serious European tariff situation.

BOLSHEVISM, FASCISM AND CAPITALISM. By George S. Counts, Luigi Villari, and others. New Haven: Yale University Press, 1932, 274 pp. $2.50.

Williamstown lectures. By no means the least interesting part of the book is the long record of discussion.

YOUNG EUROPE. By Valentine Thomson. New York: Doubleday, Doran, 1932. 342 pp. $3.00.

Stimulating observations by the daughter of a French politician.

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REBELS AND RENEGADES. By Max Nomad. New York: Macmillan, 1932, 430 pp. $3.00.

Using a pseudonym, an experienced revolutionary writes of the careers of typical radical leaders like Briand, Scheidemann, MacDonald, Trotsky and Mussolini.

DIE KRANKHEIT EUROPAS. By Friedrich Bitter and Arnold Zelle. Freiburg: Kampmann, 1932, 316 pp. M. 4.60.

A restatement of the arguments for the revision of the treaties.

L'EUROPE CENTRALE. By Elemèr Hantòs. Paris: Alcan, 1932, 258 pp. Fr. 15.

A well-known protagonist of *Mitteleuropa* draws together his suggestions for a new economic organization of the region.

GROSSRAUMWIRTSCHAFT. Edited by W. Gürge and W. Gotkopp. Berlin: Organisation, 1931, 160 pp. M. 7.50.

A collection of essays on the economic union of Central and Southeastern Europe, which the writers believe to be the only solution of the continent's ills.

ZWISCHENEUROPA UND DIE DEUTSCHE ZUKUNFT. By Giselher Wirsing. Jena: Diederichs, 1932, 329 pp. M. 5.80.

An exposition of the facts that call for the introduction of federalism.

MITTELEUROPÄISCHER ZOLLVERGLEICH. By Wilhelm von Ziegler. Vienna: Braumüller, 1932, 104 pp. M. 3.

An Austrian diplomat brings forward original and stimulating suggestions for the reorganization of Central Europe.

WHO ARE THESE FRENCH? By Friedrich Sieburg. New York: Macmillan, 1932, 303 pp. $2.50.

A brilliant analysis of the French make-up, written by the Paris correspondent of the *Frankfurter Zeitung*. Both the German original, "Gott in Frankreich," and the French translation, attracted wide attention.

COURRIER DE PARIS. By Daniel Halévy. Paris: Édition du Cavalier, 1932, 324 pp. Fr. 15.

The post-war political and intellectual development of France.

DE BISMARCK À POINCARÉ. By Raymond Recouly. Paris: Éditions de France, 1932, Fr. 30.

A general survey of French foreign policy under the Third Republic.

ARISTIDE BRIAND. By Victor Margueritte. Paris: Flammarion, 1932, 360 pp. Fr. 12.

A full-length biography of Briand, by one of his close friends.

BRIAND. By Alfred Aubert. Paris: Chiron, 1932, 286 pp. Fr. 10.

A general biographical sketch, based in large measure on Briand's own writings and utterances.

DEUTSCH-FRANZÖSISCHE MACHTFAKTOREN. By Hans Rohde. Berlin: Berliner Borsenzeitung, 1932, 104 pp.

The author tries to show, by diagrams and statistics, that in almost every way France has greater military potentiality than Germany.

LES DOMMAGES DE GUERRE DE LA FRANCE ET LEUR RÉPARATION. By Edmond Michel. Paris: Berger-Levrault, 1932, 656 pp. Fr. 120.

An imposing study of war costs and reparations, by a French expert.

DIE WIRTSCHAFTLICHE ENTWICKLUNG ELSASS-LOTHRINGENS, 1871–1918. Edited by Max Schlenker. Frankfurt: Elsass-Lothringen Institut, 1931, 652 pp.

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This elaborate and well-illustrated history of the German economic achievement in Alsace-Lorraine is the first volume of a comprehensive study of the German rule.

HISTOIRE DE BELGIQUE. Volume VII. By Henri Pirenne. Brussels: Lamertin, 1932, 416 pp. Fr. 55.

This volume of the standard history of Belgium covers the period from 1830 to 1914.

THE SPANISH CROWN. By Robert Sencourt. New York: Scribners, 1932, 399 pp. $5.00.

A well-informed and sympathetic account of the Spanish monarchy in the nineteenth and twentieth centuries.

LOS BORBONES DE ESPAÑA. By Gonzalo de Reparaz. Madrid: Morata, 1931, 298 pp. Pes. 5.

The subtitle of this book is: "The pathological history of a degenerate dynasty."

LAS ÚLTIMAS HORAS DE UNA MONARQUÍA. By Conde de Romanones. Madrid: Morata, 1931, 136 pp. Pes. 4.

A collection of recent writings by the well-known Spanish statesman, a member of the last ministry of the monarchy.

CRÍTICA DE LA REVOLUCIÓN ESPAÑOLA. By César Falcón. Madrid: Aguilar, 1931, 264 pp. Pes. 5.

A Spanish communist's attempt to place the revolution in the general setting of Spanish history and the class struggle.

RECTIFICACIÓN DE LA REPÚBLICA. By José Ortega y Gasset. Madrid: Revista de Occidente, 1931, 170 pp. Pes. 4.

The collected speeches and articles of a prominent republican writer and philosopher.

SPAIN PROGRESSES. By Eric V. Greenfield. Boston: Badger, 1932, 213 pp. $2.00.

Travel experiences and observations in the new Spain.

DE LA DICTADURA A LA REPÚBLICA. By Juan Estelrich. Barcelona: Llibreria Catalonia, 1931, 221 pp. Pes. 5.

Essays and speeches dealing with the Catalonian problem.

MEMOIRS OF PRINCE VON BÜLOW. Boston: Little, Brown, 1932, 435 pp. $5.00.

The third volume of Prince Bülow's interesting and controversial memoirs covers the period from his resignation to the collapse of Germany in 1919.

THOUGHTS ON GERMANY. By Richard von Kühlmann. New York: Macmillan, 1932, 315 pp. $3.50.

This is one of the more important books on modern Germany. Written by a former foreign minister of the Empire, it surveys the German scene as it has developed since the country emerged from the ordeal of the Great War. Baron von Kühlmann writes without rancor and as a man of the world who sees things in a large perspective. The book contains very interesting reflections on German policy before the war, notably with respect to naval policy and to the alliance with Austria. But the parts of more immediate interest are those in which the author discusses the party conflicts of present-day Germany and such questions as treaty revision and reparations.

THE GERMANS. AN INQUIRY AND AN ESTIMATE. By George N. Schuster. New York: Dial, 1932, 334 pp. $3.00.

A well-informed and sound appraisal of the mental and moral state of present-day Germany. One of the best books on the subject.

LES CRISES ALLEMANDES, 1919–1931. By Albert Rivaud. Paris: Colin, 1932, 218 pp. Fr. 10.50.

LICENSED TO UNZ.ORG
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This little popular survey is concerned primarily with economic matters, and comes to the usual French conclusions, namely that Germany is a military menace and that she must be made to pay.

THE GERMAN CRISIS. By Hubert R. Knickerbocker. New York: Farrar and Rinehart, 1932, 262 pp. $2.50.

The results of a well-known American correspondent's latest investigation.

IS GERMANY FINISHED? By Pierre Viénot. New York: Macmillan, 1932, 141 pp. $1.50.

A translation of an admirable little book, in which a sympathetic French observer tries to make clear to his countrymen the extent and nature of the German *Kulturkrise*.

GUSTAV STRESEMANN: VERMÄCHTNIS. Berlin: Ullstein, 1932, 643 pp. M. 13.

The first of three volumes of Stresemann's writings, published and unpublished, on which he himself intended to base his autobiography. An important source for the history of post-war Europe.

THE RECOVERY OF GERMANY. By James W. Angell. Published for the Council on Foreign Relations. New Haven: Yale University Press, 1932, 442 pp. $4.00.

The revised edition of the best study in English of German economic development.

HINDENBURG, THE MAN WITH THREE LIVES. By Thomas R. Ybarra. New York: Duffield and Green, 1932, 329 pp. $3.00.

A sympathetic biography stressing the extraordinary fluctuations in Hindenburg's career and outlook.

BRÜNING. By Alfons Nobel. Leipzig: Kitler, 1932, 88 pp.

A brief sketch, emphasizing the international aspects of Brüning's policies.

I SAW HITLER. By Dorothy Thompson. New York: Farrar and Rinehart, 1932, $1.00.

One of the cleverest interpretations of the Hitlerian mentality.

SIGFRIDO, 1932. By F. G. Cabalzar. Genoa: Tipografia Nazionale, 1931, 116 pp. L. 5.

Hitlerism, its theory and the forces behind it, together with a keen comparison between it and Fascism.

HITLERISM, THE IRON FIST OF GERMANY. By Nordicus. New York: Mohawk Press, 1932, 243 pp. $3.00.

A well-informed, rather sober analysis of the Nazi movement.

HITLER. By Emil Lengyel. New York: Dial, 1932, 256 pp. $3.00.

A study of Hitler's career and the development of the Hitler movement.

HITLER'S WEG. By Theodor Heuss. Stuttgart: Union, 1932, 167 pp. M. 2.80.

A dispassionate inquiry into the historical and political significance of the National Socialist movement.

UNSERE REICHSWEHR. By A. Benary. Berlin: Neufeld and Henius, 1932, 256 pp. M. 4.80.

A popular survey of the armed forces of the German Republic.

UNE EXPÉRIENCE DE DÉSARMEMENT. By General Nollet. Paris: Nouvelle Revue Française, 1932, 255 pp. Fr. 24.

The story of five years of military control in Germany, which led this well-known French officer to conclude that Germany was not disarmed.

NON, L'ALLEMAGNE N'A PAS DÉSARMÉ. By Colonel Reboul. Paris: Charles-Lavauzelle, 1932, 288 pp. Fr. 15.

Another study, with the same conclusion.

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RUHRKAMPF. By Paul Wentzcke. Berlin: Reimar, Hobbing, 1932, 517 pp.
This is the second and concluding volume of the standard German history of the Ruhr occupation.

DEUTSCHE PRESSE UND PROPAGANDA DES ABSTIMMUNGSKAMPFES IN OBERSCHLESIEN. By Rudolf Vogel. Beuthen: Oberschlesische Zeitung, 1931, 182 pp.
A valuable contribution to the study of modern propaganda technique.

KAMPF UM PREUSSENLAND. By Friedrich Heiss and A. H. Ziegfeld. Berlin: Volk und Reich, 1931, 230 pp.
The German view of the Danzig and East Prussian questions.

L'AUTRICHE. By B. Mirkine-Guetzevitch and André Tibal. Paris: Delagrave, 1932, 142 pp. Fr. 12.
An excellent French survey, with a very useful collection of documents.

OÙ VA L'AUTRICHE? By Jacques Donnadieu. Paris: Tallandier, 1932, Fr. 25.
The author reviews the *Anschluss* problem and sounds a note of warning.

LA TRAGÉDIE D'UN PAYS MILLÉNAIRE. By Sigismond Varga. Paris: Source, 1932, 129 pp.
The author recalls the past relations of France and Hungary and pleads eloquently for French aid in the revision of the treaties.

L'ITALIA E I SUOI ALLEATI NELLA GRANDE GUERRA. By M. Caracciolo. Milan: Mondadori, 1932, 329 pp. L. 20.
A careful study of Italian and Allied policies and operations during the war.

THE MAKING OF THE CORPORATE STATE. By Harold E. Goad. London: Christophers, 1932, 167 pp. 5/.
A concise and sympathetic study of Fascist development.

MUSSOLINI DIPLOMATE. By Gaetano Salvemini. Paris: Grasset, 1932, 338 pp. Fr. 15.
Professor Salvemini says in his preface that he does not believe impartiality to be possible, but that he does require of the historian that he be honest. He does not conceal that he is one of the strong opponents of the Fascist régime. But he is also the first authority in the world on the history of Italian foreign policy, and a man who does not lightly bring charges that cannot be fully substantiated. This book is based upon very wide reading and draws heavily upon newspaper material as well as upon official documents. It supplies a survey of Italian policy under Fascist rule in all its aspects, and its conclusions deserve the careful attention of all who interest themselves in the development of the European situation. An important book.

LE FASCISME À GENÈVE. By Trentin Silvio. Paris: Rivière, 1932, 264 pp. Fr. 15.
Another volume by an able opponent of Fascism.

TEN YEARS OF TYRANNY IN ITALY. By Pietro Nenni. London: Allen and Unwin, 1932, 218 pp. 7/6.
A violent attack on Fascism, by one of Mussolini's former associates who went into opposition and was imprisoned.

LA GUERRE EST LÀ. By Robert Migot and Comte Gusthal. Paris: Soubiron, 1932, Fr. 12.
The authors discuss the Mediterranean and North African roots of war.

ITALIA E ORIENTE. By C. Capasso. Florence: Nuova Italia, 1932, 290 pp. L. 20.
A strongly Fascist presentation of Italian interests in the east.

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DIE GRÖNLANDFRAGE. By Jon Skeie. Berlin: Stilke, 1932, 118 pp. M. 3.
A Norwegian professor gives an historical and legal analysis of the Norwegian view in the dispute with Denmark over Greenland.

Eastern Europe

RUSSIA. By Hans von Eckardt. New York: Knopf, 1932, 746 pp. $7.50.
The translation of one of the best general historical and statistical books on Russia.

SOWJETSTAAT UND VOELKERRECHT. By N. N. Alekseev and Leo Zaicev. Brelau: Kern, 1931, 77 pp. M. 3.50.
A scholarly treatment of the position of Russia in international law.

THE SOVIETS AND THE NEXT WAR. By R. D. Charques. London: Secker, 1932, 95 pp. 3/6.
A strong plea for disarmament, emphasizing the apprehensions of Russia and the necessity for allaying them.

THE HISTORY OF THE RUSSIAN REVOLUTION. By Leon Trotsky. New York: Simon and Schuster, 1932, 544 pp. $4.00.
The first volume, reaching July 1917, of a most interesting story of the overturn.

WORKING FOR THE SOVIET. By Walter A. Rukeyser. New York: Covici Friede, 1932, 301 pp. $3.00.
The experiences of an American engineer in Bolshevik service in Siberian mines.

THE MAN FROM THE VOLGA. By F. J. P. Veale. London: Constable, 1932, 304 pp. 10/.
The author is concerned chiefly with clearing up the main facts of Lenin's career.

STALINE, L'HOMME D'ACIER. By Grégoire Bessedovsky and Maurice Laporte. Paris: Revue Française, 1932, Fr. 15.
A racy and distinctly partial biography.

STALIN: THE CAREER OF A FANATIC. By Essad Bey. New York: Viking, 1932, 399 pp. $3.50.
The German edition of this sensational account has already been noted.

DER ROTE ZAR. By Christian Windecke. Leipzig: Quelle and Meyer, 1932, 231 pp. M. 3.80.
One of the better biographies of Stalin, objective and detailed.

DER FÜNFJAHRESPLAN UND SEINE ERFÜLLUNG. By Boris Brutzkus. Leipzig: Wissenschaftliche Buchhandlung, 1932, 106 pp. M. 4.80.
The German translation of an important Russian book.

REVELATIONS OF A SOVIET DIPLOMAT. By Gregory Bessedovsky. London: Williams and Norgate, 1932, 276 pp. 7/6.
An instructive account of Russian diplomacy, by one formerly in its service.

TSARSKII FLOT POD KRASNIM STIAGOM. By V. A. Pleskov and N. F. Chuzhak. Moscow, 1931, 253 pp.
A valuable study of the Russian Revolution in the navy.

LE TURKESTAN SOVIÉTIQUE. By Claude Servet. Paris: Bureau d'Éditions, 1932, 132 pp. Fr. 5.
An interesting description of present-day Turkestan.

POLAND, 1914–1931. By Robert Machray. London: Allen and Unwin, 1932, 447 pp. 15/.

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Though written in a sympathetic vein, especially as regards Pilsudski, this is probably one of the best general accounts in English of recent Polish history.

THE UKRAINIANS IN POLAND. By M. Felinski. London: Author, 1931, 173 pp.
The Polish view of the Ukrainian problem.

LA POMÉRANIE POLONAISE. By Casimir Smogorzewski. Paris: Gebethner and Wolff, 1932, 400 pp. Fr. 40.
A thorough-going study of Polish Pomerania, written by a leading Polish publicist.

FINLAND. By T. W. Atchley. London: Sidgwick and Jackson, 1931, 244 pp.
A general history by a professor of English in a Finnish university.

ELVA ARTIONDEN UR FINLANDS HISTORIA. By B. Estlander. Stockholm: 1930, 419 pp.
Volume V of a great history of Finland since 1808. It deals with the period 1917–1918.

LA PETITE ENTENTE. By Florin Codresco. Paris: Publications Contemporaines, 1932, two volumes, Fr. 60.
The most complete history of the Little Entente yet published.

UMSTURZ IN MITTELEUROPA. By Jan Opočenský. Hellerau: Avalun, 1932, 464 pp. M. 20.
The German translation of an important Czech work on the downfall of the Hapsburg Monarchy and the rise of the Succession States.

APERÇUES EUROPÉENS. By E. Bourgeois and others. Paris: Alcan, 1932, 148 pp. Fr. 12.
A series of lectures under the auspices of the *École des Sciences Politiques*, dealing with Poland, Jugoslavia and Czechoslovakia.

SÜDOST-EUROPA. By Walter Hoffmann. Leipzig: Londner, 1932, 248 pp. M. 7.80.
A survey of Jugoslavia, Bulgaria and Rumania, dealing with cultural, political and above all economic problems.

THE EXCHANGE OF MINORITIES. By Stephen P. Ladas. New York: Macmillan, 1932, 847 pp. $6.00.
A good account of an important phase in the relations of Greece, Bulgaria and Turkey.

LES COMITADJIS. By Albert Londres. Paris: Michel, 1932, 256 pp. Fr. 15.
A somewhat sensational account, by a French journalist.

UNITED ROUMANIA. By Charles U. Clark. New York: Dodd, Mead, 1932, 432 pp. $3.00.
A convenient and well-informed survey of modern Rumania and its recent history, written from a sympathetic standpoint.

IL PROBLEMA TERRITORIALE TRANSILVANO. By F. Vellani-Dionisi. Bologna: Zanichelli, 1932, 232 pp. L. 10.
A thorough study of the land question between Rumania and Hungary as it developed and as it now stands.

L'UNITÉ YOUGOSLAVE ET LE ROI ALEXANDRE I. By K. S. Chantitch-Chandan. Paris: Publications Contemporaines, 1932, 210 pp. Fr. 20.
A study of Jugoslav politics and of current domestic problems.

The British Commonwealth of Nations

BACK TO PROSPERITY. By Stephen Leacock. New York: Macmillan, 1932, 108 pp. $1.25.
Further suggestions of a Canadian economist for the development of empire preference, to be considered at the Conference to be held this summer at Ottawa.

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LE FRANÇAIS AU CANADA. By M. l'Abbé Groulx. Paris: Delagrave, 1932, 234 pp.
A useful survey of the French elements in Canada, from the settlement to the present.

A SEARCHLIGHT ON GANDHI. London: King, 1931, 139 pp. 3/.
A telling attack on Gandhi and his teachings, by the author of "India on the Brink."

THE INDIAN HORIZON. By The Maharaja of Burdwan. London: Benn, 1932, 106 pp. 3/6.
A series of lectures on India recently delivered in the United States. The author stresses especially the Hindu-Moslem antagonism.

The Near East

THE SPIRIT OF WORLD POLITICS. By Ernest E. Hocking. New York: Macmillan, 1932, 585 pp. $5.00.
Largely an examination of the situation in Egypt, Syria and Palestine, with a plea for the redefinition of the west's relationship to the so-called "backward" peoples.

TRADITIONS ET POLITIQUE DE LA FRANCE AU LEVANT. By André Bruneau. Paris: Alcan, 1932, 440 pp. Fr. 45.
One of the best surveys of France's aims and accomplishments in the Near East.

DIE BODENFRAGE UND DER JÜDISCHE AUFBAU IN PALESTINA. By Abraham Granovsky. Vienna: Barth, 1931, 178 pp. M. 5.50.
An analysis of the all-important land question.

PERSIEN. ENTWICKLUNG UND GEGENWART. By Fritz Hesse. Berlin: Zentral-Verlag, 1932, 92 pp. M. 3.
The latest volume in an admirable German series of surveys.

NOTES SUR L'AFGHANISTAN. By Maurice Fouchet. Paris: Maisonneuve, 1932, 228 pp. Fr. 20.
An excellent introduction to the people and politics of Afghanistan, written by the late French minister.

Africa

LE MAROC. By P. Desfeuilles. Paris: Roger, 1932, Fr. 5.
A popular review of the economic life and resources of present-day Morocco.

AU MAROC AVEC LYAUTEY. By H. Willette. Paris: Spes, 1932, 128 pp. Fr. 5.
A panegyric on the work of the great administrator.

TRIPOLITANIA. By R. Di Lauro. Naples: Chiurazzi, 1932, 250 pp. L. 12.
An up-to-date descriptive work.

The Far East

NELLA GRANDE ASIA RIVOLUZIONARIA. By A. Cipolla. Turin: Paravia, 1931, 254 pp. L. 16.
Observations of a leading Italian writer on foreign affairs.

THE CHINESE NATIONAL REVOLUTION. By Wang Ching-wei and others. Peiping: China United Press, 1931, 188 pp. Mex. $6.00.
A varied collection of essays by prominent Chinese leaders.

TWENTY YEARS OF THE CHINESE REPUBLIC. By Harold A. Van Dorn. New York: Knopf, 1932, 330 pp. $3.50.
Four of the five chapters are devoted to non-political aspects of Chinese life, and serve as a good introduction to recent educational, religious, social and economic changes.

LICENSED TO UNZ.ORG
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SUN YAT-SEN VERSUS COMMUNISM. By Maurice William. Baltimore. Williams and Wilkins, 1932, 232 pp. $5.00.

An elaborate study of the relation between the writings of Sun and the author's book "The Social Interpretation of History," which, it is shown, led to a complete change in Sun's teaching, away from communism.

SOUN IAT-SEN. By George Soulié de Morant. Paris: Nouvelle Revue Française, 1932, 217 pp. Fr. 15.

A biography of the Chinese leader.

WANG CHING-WEI. By T'ang Leang-li. Peiping: China United Press, 1931, 223 pp. Mex. $6.50.

The career and teachings of Sun's most eminent successor.

CHINA'S OWN CRITICS. By Hu Shih and Lin Yu-tang. Peiping: China United Press, 1931, 166 pp. Mex. $6.00.

Critical essays on various aspects of the Chinese scene, by two outstanding members of the Young China group.

LA CRISE MONDIALE. By A. F. Legendre. Paris: Plon, 1932, 360 pp. Fr. 18.

A story of Moscow's intrigues, by a Frenchman long resident in China.

HINTER CHINA STEHT MOSKAU. By Gustav Ritter von Kreitner. Berlin: Mittler, 1932, 144 pp. M. 3.80.

A bitter indictment of the Kuomintang, which the author describes as a clique which is rapidly ruining China.

THE YANGTSZE AND ITS PROBLEMS. By H. G. W. Woodhead. London: Simpkin, Marshall, 1931, 150 pp. 7/6.

A reprint of articles by the editor of the "China Year Book."

MANCHURIA, CRADLE OF CONFLICT. By Owen Lattimore. New York: Macmillan, 1932, 327 pp. $3.00.

The author, who has travelled widely in China and Mongolia, and who has spent many months recently in Manchuria, deals at length with the fundamental factors in the problem. He takes up the conflict of cultures between the Chinese, the Japanese and the Russians, enlarges upon the changes wrought by colonization and by efforts at modernization, and finally surveys Manchuria's present position in the world. The book is based upon Chinese sources, as well as upon material in western languages and upon personal observations. Sanely written throughout, it does not hinge upon the present difficulties, and for that very reason gives a broader and sounder interpretation of current problems.

JAPAN SPEAKS, ON THE SINO-JAPANESE CRISIS. By Kiyoshi Kawakami. New York: Macmillan, 1932, 200 pp. $1.50.

A strong presentation of the Japanese case, written by a gifted newspaper man.

MANCHURIA, THE COCKPIT OF ASIA. By Percy T. Etherton and Hubert H. Tiltman. New York: Stokes, 1932, 337 pp. $3.00.

A concise exposition of the political and economic rivalries in Manchuria, stressing the needs and claims of Japan.

THE WORLD'S DANGER ZONE. By George S. Eddy. New York: Farrar and Rinehart, 1932, 125 pp. $1.00.

A brief review of the Manchurian question, based in part on the author's "Challenge of the East," but supplemented by recent observations on the spot.

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CHINA SPEAKS. By Chih Meng. New York: Macmillan, 1932, 211 pp. $1.50.
This is the Chinese counterpart of the Kawakami volume. The two books should be read together.

JAPAN AND AMERICA. By Henry W. Taft. New York: Macmillan, 1932, 359 pp. $3.50.
The record of a visit to Japan in 1920 and a detailed discussion of American-Japanese relations as well as of the present crisis.

L'INDO-CHINE MODERNE. By Percheron and Teston. Paris: Librairie de France, 1932, 1060 pp. Fr. 250.
An elaborately illustrated encyclopedic work, issued under the auspices of the government.

Latin America

HISTORY OF THE LATIN AMERICAN NATIONS. By William Spence Robertson. New York: Appleton, 1932, 821 pp. $4.00.
The revised edition of a standard text.

LATIN AMERICAN PROBLEMS. By Thomas F. Lee. New York: Brewer, 1932, 339 pp. $2.50.
The author, who has had a long experience of Latin America, seeks especially to interpret the economic and investment problems.

GREATER AMERICA. By Wallace Thompson. New York: Dutton, 1932, 275 pp. $3.00.
A well-informed introduction to the conditions and problems of Latin America, again with special stress on economic aspects.

LES CONSTITUTIONS DES NATIONS AMÉRICAINES. By B. Mirkine-Guetzevitch. Paris: Delagrave, 1932, 486 pp. Fr. 40.
The texts of all American constitutions, with an introduction.

L'HISPANISME DANS LES RÉPUBLIQUES ESPAGNOLES D'AMÉRIQUE PENDANT LA GUERRE. By Paul H. Michel. Paris: Costes, 1931, 111 pp. Fr. 20.
An interesting essay on the movement of opinion in Latin America during the war, with stress on Pan-Americanism, German propaganda and Spanish influence.

BANANA GOLD. By Carleton Beals. Philadelphia: Lippincott, 1932, 367 pp. $3.00.
Vivid travel impressions of Central America.

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By Denys P. Myers

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Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington, D. C. *Great Britain:* British Library of Information, 270 Madison Ave., New York. *France:* Gerda M. Anderson, 12 Ave. Ernest Reyer, Paris XIVe. *League of Nations, Int. Labor Office, Perm. Court of Int. Justice and International Institute of Agriculture:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted. Since 1928 a list of national Government documents has been printed in the *Monthly list of Books catalogued in the Library of the League of Nations.*

ARMAMENT CONFERENCE

I. General

CONFERENCE for the Reduction and Limitation of Armaments. Journal. No. 1–Tuesday, February 2, 1932–. Geneva, 1932. 32½ cm.

———. VERBATIM Record (Revised) of the First [–] Plenary Meeting, Tuesday, February 2 [–], 1932. 32½ cm. (Conf. D./P. V. 1–).

———. OFFICIAL Guide. Geneva, 1932. 37 double p. 22 cm. (League of Nations, Conf. D. 46. 1931. IX. 6).

CONFERENCE for the Reduction and Limitation of Armaments. Survey of Proposals made by Various Delegations during the General Discussion. Geneva, 1932. 54 p. 33 cm. (League of Nations, Conf. D. 99. 1932. IX. 25).

———. CO-ORDINATION of the Draft Convention and of the Propositions referred to the General Commission. Geneva, 1932. 2 p. 33 cm. (League of Nations, Conf. D. 100. 1932. IX. 26).

———. PROGRAMME of Work of the Conference. Report of the Bureau Adopted by the General Commission on March 8, 1932. Geneva, 1932. 2 p. 33 cm. (League of Nations, Conf. D. 101. 1932. IX. 27).

———. CO-ORDINATING Table of the Draft Convention and of the Propositions referred to the General Commission. Geneva, 1932. 28 p. 33 cm. (League of Nations, Conf. D. 102. 1932. IX. 28).

II. Particulars of Countries

[Annexes and corrigenda separately issued omitted.]

PARTICULARS with Regard to the Position of Armaments in the Various Countries. 38. Communication from the Government of the Argentine Republic. Geneva, 1931. 13 p. 33 cm. (League of Nations, C. 982. M. 547. 1931. IX. 3).

———. 44. Communication from the Colombian Government. Geneva, 1931. 4 p. 33 cm. (League of Nations, C. 89. M. 45. 1932. IX. 5).

———. 50. Communication from the Government of Siam. Geneva, 1932. 11 p. 33 cm. (League of Nations, C. 195. M. 97. 1932. IX. 8).

———. 51. Communication from the Greek Government. Geneva, 1932. 9 p. 33 cm. (League of Nations, C. 221. M. 116. 1932. IX. 20).

———. 54. Communication from the Persian Government. Geneva, 1932. 3 p. 33 cm. (League of Nations, C. 198. M. 100. 1932. IX. 9).

———. 55. Communication from the Australian Government. Geneva, 1932. 14 p. 33 cm. (League of Nations, C. 199. M. 101. 1932. IX. 10).

———. 56. Communication from the Egyptian Government. Geneva, 1932. 8 p. 33 cm. (League of Nations, C. 200. M. 102. 1932. IX. 11).

———. 57. Communication from the Lithuanian Government. Geneva, 1932. 5 p. 33 cm. (League of Nations, C. 201. M. 103. 1932. IX. 12).

———. 58. Communication from the Venezuelan Government. Geneva, 1932. 2 p. 33 cm. (League of Nations, C. 202. M. 104. 1932. IX. 13).

———. 60. Communication from the Cuban Government. Geneva, 1932. 6 p. 33 cm. (League of Nations, C. 205. M. 106. 1932. IX. 14).

———. 62. Communication from the Government of the Union of Soviet Socialist Republics. Geneva, 1932. 3 p. 33 cm. (League of Nations, C. 210. M. 110. 1932. IX. 15).

———. 64. Communication from the Turkish Government. Geneva, 1932. 8 p. 33 cm. (League of Nations, C. 216. M. 112. 1932. IX. 16).

———. 69. Communication from the Brazilian Government. Geneva, 1932. 9 p. 33 cm. (League of Nations, C. 323. M. 197. 1932. IX. 29).

———. 70. Communication from the Chinese Government. Geneva, 1932. 5 p. 33 cm. (League of Nations, C. 367. M. 210. 1932. IX. 36).

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III. PHASES OF THE PROBLEM

———. Memorandum Relating to the French Delegation's Proposals on the Internationalisation of CIVIL AIR TRANSPORT (Conf. D. 56, paragraph 1). Geneva, 1932. 4 p. 33 cm. (League of Nations, Conf. D. 115. 1932. IX. 42).

———. LAND Commission. Report of the Technical Committee on the Definitions contained in Articles 2 and 3 of the Draft Convention. Geneva, 1932. 9 p. 33 cm. (League of Nations, Conf. D./C. T./4. 1932. IX. 30).

———. Proposals of the POLISH Delegation with regard to the Gradual Attainment of Moral Disarmament. Geneva, 1932. 2 p. 33 cm. (League of Nations, Conf. D. 76. 1932. IX. 18).

———. MORAL Disarmament. Documentary Material forwarded by the International Organisation on Intellectual Co-operation. Geneva, 1932. 11 p. 33 cm. (League of Nations, Conf. D. 98. 1932. IX. 24).

———. Collaboration of WOMEN in the Organisation of Peace. Geneva, 1932. 3 p. 33 cm. (League of Nations, Conf. D. 75. 1932. IX. 19).

———. Supervision of the International TRADE IN ARMS and Ammunition and in Implements of War. Prohibition of the Use in War of Asphyxiating, Poisonous and Other GASES and of Bacteriological Methods of Warfare. Geneva, 1932. 13 p. 33 cm. (League of Nations, Conf. D. 58. 1932. IX. 7).

IV. PROPOSALS

CONFERENCE for the Reduction and Limitation of Armaments. Proposal of the FRENCH Delegation. Geneva, 1932. 4 p. 33 cm. (League of Nations, Conf. D. 56. 1932. IX. 6).

———. Proposals of the GERMAN Delegation. Geneva, 1932. 4 p. 33 cm. (League of Nations, Conf. D. 79. 1932. IX. 21).

———. Proposal by the ITALIAN Delegation relating to the Prohibition of War Material of a Specifically Aggressive Character. Geneva, 1932. 1 double p. 33 cm. (League of Nations, Conf. D. 81. 1932. IX. 22).

———. Proposals of the SOVIET Delegation. Geneva, 1932. 6 p. 33 cm. (League of Nations, Conf. D. 82. 1932. IX. 23).

———. Memorandum Relating to the ITALIAN Proposals for Qualitative Limitation (Conf. D. 81). Geneva, 1932. 5 p. 33 cm. (League of Nations, Conf. D. 106. 1932. IX. 32).

———. Memorandum on the Proposals of the NETHERLANDS Delegation. Geneva, 1932. 6 p. 33 cm. (League of Nations, Conf. D. 108. 1932. IX. 34).

———. Memorandum on the Proposals of the SWEDISH Delegation (Conf. D. 83). Geneva, 1932. 2 p. 33 cm. (League of Nations, Conf. D. 110. 1932. IX. 37).

———. Memorandum on the Proposals of the CHINESE Delegation (Conf. D. 88). Geneva, 1932. 1 double p. 33 cm. (League of Nations, Conf. D. 111. 1932. IX. 38).

———. Memorandum Relating to the Suggestions of the DANISH Delegation (Conf. D. 99, page 51). Geneva, 1932. 5 p. 33 cm. (League of Nations, Conf. D. 112. 1932. IX. 39).

———. Memorandum Relating to the Proposals of the TURKISH Delegation (Conf. D. 78). Geneva, 1932. 3 p. 33 cm. (League of Nations, Conf. D. 113. 1932. IX. 40).

———. Memorandum Relating to the Proposals of the JAPANESE Delegation (Conf. D. 94). Geneva, 1932. 2 p. 33 cm. (League of Nations, Conf. D. 114. 1932. IX. 41).

BANK FOR INTERNATIONAL SETTLEMENTS

BANK for International Settlements. Second Annual Report, April 1, 1931–March 31, 1932. Basle, May 10, 1932. (Basle, Verlags-Druckerei G. Boehm, 1932). 34 p., 17 annexed tables. 29½ cm.

The report is not on sale, but is distributed by the Bank itself, or on its behalf.

BRITISH EMPIRE

BURMA Round Table Conference 27th November, 1931–12th January, 1932. Proceedings. London, 1932. 186 p. 24½ cm. (Cmd. 4004). 3s. 0d.

DISTURBANCES in Cyprus in October, 1931. London, 1932. 42 p. 24½ cm. (Cmd. 4045). 9d.

PAPERS relating to the Parliamentary Oath of Allegiance in the IRISH FREE STATE and the Land Purchase annuities. London, 1932. 8 p. 24½ cm. (Cmd. 4056). 2d.

MALTA Royal Commission, 1931. Report. London, 1932. 218 p. 24½ cm. (Cmd. 3993). 3s. 6d.

MALTA Royal Commission, 1931. Minutes of Evidence (The Report of the Royal Commission is published as Cmd. 3993). London, 1932. 427 p. 30½ cm. (Colonial No. 68). 5s. 0d.

COURT OF INTERNATIONAL JUSTICE, PERMANENT

COLLECTION of Texts Governing the Jurisdiction of the Court. Fourth Edition. (January 31st, 1932). Leyden, 1932. 728 p. 24½ cm. (Permanent Court of International Justice, Series D. No. 6).

The texts of this collection, numbering 420, are printed in French only, owing to their bulk.

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Collective and other acts are given together. The texts are printed in four parts: constitutional, those of pacific settlement comprising the competence of the Court, those envisaging its jurisdiction and those intrusting the Court or its president with particular functions.

DANUBIAN COUNTRIES

FINANCIAL Committee. Report to the Council on the Work of the Forty-Fifth Session of the Committee (Paris, March 3–24, 1932). Geneva, 1932. 19 p. 33 cm. (League of Nations, C. 328. M. 199. 1932. II. A. 5).

REPORT of the Financial Committee on the Work of its Forty-Fifth Session. Appendices on BULGARIA. Geneva, 1932. 23 p. 33 cm. (League of Nations, C. 333. M. 202. 1932. II. A. 6).

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COMITÉ Économique. Études Relatives au Probleme des "Rapprochements Économiques Europeens." Première Série. Chiffres Essentiels du Commerce Extérieur des Pays Danubiens. Données réunies par le Secrétariat sur la base des statistiques officielles. Geneva, 1932. 70 p. 33 cm. (League of Nations, E. 770. 1932. II. B. 3).

ECONOMIC DISPUTES

Procedure for the Friendly Settlement of Economic Disputes Between States. Set up by a Resolution of January 28, 1932. Geneva, 1932. 5 p. 33 cm. (League of Nations, C. 57. M. 32. 1932. II. B. 2).

FOREIGN BONDS

SALE of Foreign Bonds or Securities in the United States. Hearings before the Committee on Finance, United States Senate, Seventy-Second Congress, First Session pursuant to S. Res. 19, a Resolution Authorizing the Finance Committee of the Senate to Investigate the Sale, Flotation, and Allocation by Banks, Banking Institutions, Corporations, or Individuals of Foreign Bonds or Securities in the United States. Part 1. December 18, 19, and 21, 1931. Washington, 1931. 298 p. 23¼ cm.

———. Part 2. January 4, 5, 6, and 7, 1932. Washington, 1932. Pp. 299–1265. 23¼ cm.

———. Part 3. January 8, 11, 12, 13, 14, and 15, 1932. Washington, 1932. Pp. 1267–1928. 23¼ cm.

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GUATEMALA-HONDURAS

HONDURAS-Guatemala Boundary Arbitration. Counter-Case of Honduras in Answer to the Case of Guatemala. Washington, Legation of Honduras, 1932. 591 p. map. 25½ cm.

———. Rejoinder of Honduras to Counter-Case of Guatemala. Washington, Legation of Honduras, 1932. 112 p. 25½ cm.

HAITI

HAITI. Annual Report of the Financial Adviser-General Receiver for the fiscal year October, 1930–September, 1931 Submitted to the Secretary of State for Finance, and the Secretary of State for Commerce of the Republic of Haiti, and the Secretary of State of the United States of America. S. De La Rue, Financial Adviser-General Receiver, Rex A. Pixley, Deputy General Receiver, J. C. Craddock, Director General of Internal Revenue. Port-au-Prince, Imprimerie du Service National de l'Enseignement Professionnel, 1931. 177 p. 23½ cm.

LABOR ORGANIZATION

INTERNATIONAL Labour Conference. Fifteenth Session, Geneva, 1931. Volume I. First and Second Parts. Geneva, 1931. 494 p. 31½ cm.

———. Volume II. REPORT of the Director Presented to the Conference. Geneva, 1931. 493 p. 31½ cm.

INTERNATIONAL Labour Conference. Sixteenth Session, Geneva, 1932. REPORT of the Director. Geneva, 1932. 111 p. 31½ cm.

———. SUMMARY of Annual Reports Under Article 408. Geneva, 1932. 402 p. 31½ cm.

INTERNATIONAL Survey of LEGAL Decisions on Labour Law 1930 (Sixth Year). Geneva, 1931. 366 p. 24 cm. (International Labour Office). $2.00.

SINO-JAPANESE DISPUTE

[The documents in this matter, so far as the League of Nations was concerned, were published in the *Official Journal* until the appeal of China to the Assembly on February 12, 1932. Separate documents have been published since then.]

APPEAL from the Chinese Government Under Article 15 of the Covenant. STATEMENT Com-

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municated by the Chinese Delegation in Conformity with Article 15, Paragraph 2. Geneva, 1932. 48 p. 33 cm. (League of Nations, A. (Extr.) 1. 1932. VII. 3).

REPORTS of the Committee of Enquiry set up at Shanghai under Article 15, Paragraph 1, of the Covenant. Geneva, 1932. 10 p. 33 cm. (League of Nations, A. (Extr.) 3. 1932. VII. 4).

Also: Reports to the League of Nations by the Committee of Representatives at Shanghai of certain States Members of the League Council appointed to report on Events in Shanghai and Neighbourhood, Shanghai, February 6 and 12, 1932. London, 1932. 10 p. 24½ cm. (Miscellaneous No. 4 (1932). Cmd. 4021). 2d.

APPEAL from the Chinese Government in Virtue of Article 15 of the Covenant. REPORT by the Secretary-General on the Action taken by the League on the Sino-Japanese Dispute. Geneva, 1932. 30 p. 33 cm. (League of Nations, A. (Extr.) 4. 1932. VII. 6).

EXPLANATORY Note Communicated by the Japanese Government. Geneva, 1932. 13 p. map. 33 cm. (League of Nations, A. (Extr.) 6. 1932. VII. 5).

SPECIAL SESSION of the Assembly of the League of Nations Convened in Virtue of Article 15 of the Covenant at the Request of the Chinese Government. . . . VERBATIM Record of the First [—] Plenary Meeting, Thursday, March 3– , 1932.

GENERAL Commission, Minutes of the First [–] Meeting, Friday, March 4– , 1932, at 4 P.M. Geneva, 1932. 6 p. 31½ cm. (A. (Extr.)/C. G./P. V. 1–).

———. SPECIAL Committee set up under the Assembly's resolution of March 11, 1932. Minutes of the first [–] meeting (public) held on March 17– , 1932. (A. (Extr.) Com. Spéc./P. V. 1–).

CONDITIONS in Manchuria. Message from the President of the United States transmitting in Response to Senate Resolution No. 87, A Report by the Secretary of State Relative to the Existing Conditions in Manchuria. Washington, 1932. 56 p. 23¼ cm. (Sen. Doc. No. 55, 72d Cong. 1st sess.).

MAP of Manchuria and Adjacent Regions Showing Railways and Principal Motor Routes. Provisional Edition, June, 1931. Minor Revisions, January, 1932. Washington, 1932. 760 x 760 mm. (Department of State, Map Series, No. 2 (Publication No. 276)).

TRADE IN ARMS

STATISTICAL Year-Book of the Trade in Arms and Ammunition. Geneva, 1932. Eighth Year. (League of Nations, C. 37. M. 21. 1932. IX. 35). $4.00.

WAR PREVENTION

GENERAL CONVENTION to Improve the Means of Preventing War (Geneva, September 26, 1931). Geneva, 1932. 9 p. 33 cm. (League of Nations, C. 658 (1). M. 269 (1). 1931. IX. 17)

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